## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

## **FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from\_\_\_\_\_ to\_

Commission file number: 001-33292



(Exact name of registrant as specified in its charter)

20-3431375

(IRS Employer Identification No.)

64106

(Zip Code)

Maryland

(State or other jurisdiction of incorporation or organization)

1100 Walnut, Ste. 3350 Kansas City, MO

(Address of Principal Executive Offices)

(816) 875-3705

(Registrant's telephone number, including area code)

n/a

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  $\boxtimes$  No  $\square$ 

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  $\boxtimes$  No  $\square$ 

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer	X
Non-accelerated filer	□ (Do not check if a smaller reporting company)	Smaller reporting company	
		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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes 🗆 No 🗵

As of July 31, 2017, the registrant had 11,902,779 common shares outstanding.

# CorEnergy Infrastructure Trust, Inc.

### FORM 10-Q

### FOR THE QUARTER ENDED JUNE 30, 2017

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This Report should be read in its entirety. No one section of the Report deals with all aspects of the subject matter. It should be read in conjunction with the consolidated financial statements, related notes, and with the Management's Discussion & Analysis ("MD&A") included within, as well as provided in the Annual Report on Form 10-K, for the year ended December 31, 2016.

The consolidated unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information, the instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of Management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ended December 31, 2017 or for any other interim or annual period. For further information, refer to the consolidated financial statements and footnotes thereto included in the CorEnergy Infrastructure Trust, Inc. Annual Report on Form 10-K, for the year ended December 31, 2016.

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#### GLOSSARY OF DEFINED TERMS

Certain of the defined terms used in this Report are set forth below:

- Accretion Expense: the expense recognized when adjusting the present value of the GIGS ARO for the passage of time.
- Administrative Agreement: the Administrative Agreement dated December 1, 2011, as amended effective August 7, 2012, between the Company and Corridor.
- Arc Logistics: Arc Logistics Partners LP (NYSE: ARCX).
- Arc Terminals: Arc Terminals Holdings LLC, an indirect wholly-owned operating subsidiary of Arc Logistics.
- ARO: the Asset Retirement Obligation liabilities assumed with the acquisition of GIGS.
- ASC: FASB Accounting Standards Codification.
- ASU: Accounting Standard Update.
- Bbls: standard barrel containing 42 U.S. gallons.
- BB Intermediate: Black Bison Intermediate Holdings, LLC, the holding company of Black Bison Water Services.
- Black Bison Loans: the financing notes between Corridor Bison and CorEnergy BBWS and BBWS.
- BBWS: Black Bison Water Services, LLC, the borrower of the Black Bison financing notes, as well as all of the other collateral securing the Black Bison Loans.
- Convertible Notes: the Company's 7.00% Convertible Senior Notes due 2020.
- CorEnergy: CorEnergy Infrastructure Trust, Inc. (NYSE: CORR).
- CorEnergy BBWS: CorEnergy BBWS, Inc., a wholly-owned taxable REIT subsidiary of CorEnergy.
- CorEnergy Credit Facility: the Company's \$45.0 million CorEnergy Term Loan, together with the upsized \$105.0 million CorEnergy Revolver and the \$3.0 million MoGas Revolver with Regions Bank.
- CorEnergy Revolver: the Company's \$105.0 million secured revolving line of credit facility with Regions Bank.
- CorEnergy Term Loan: the Company's \$45.0 million secured term loan with Regions Bank that is part of the CorEnergy Credit Facility.
- Corridor: Corridor InfraTrust Management, LLC, the Company's external manager pursuant to the Management Agreement.

Corridor Bison: Corridor Bison, LLC a wholly-owned subsidiary of CorEnergy.

- Corridor MoGas: Corridor MoGas, Inc., a wholly-owned taxable REIT subsidiary of CorEnergy and the holding company of MoGas, United Property Systems and CorEnergy Pipeline Company, LLC.
- Corridor Private: Corridor Private Holdings, Inc., an indirect wholly-owned taxable REIT subsidiary of CorEnergy.
- CPI: Consumer Price Index.
- Exchange Act: the Securities Exchange Act of 1934, as amended.
- EXXI: Energy XXI Ltd, the parent company (and guarantor) of our tenant on the Grand Isle Gathering System lease, emerged from a reorganization under Chapter 11 of the US Bankruptcy Code on December 30, 2016, with the succeeding company named Energy XXI Gulf Coast, Inc. Throughout this document, references to EXXI will refer to both the pre- and post- bankruptcy entities.
- EXXI Tenant: Energy XXI GIGS Services, LLC, a wholly-owned operating subsidiary of EXXI that is the tenant under Grand Isle Corridor's triple-net lease of the Grand Isle Gathering System.

FASB: Financial Accounting Standards Board.

FERC: Federal Energy Regulatory Commission.

Four Wood Corridor: Four Wood Corridor, LLC, a wholly-owned subsidiary of CorEnergy.



#### GLOSSARY OF DEFINED TERMS (Continued from previous page)

Four Wood Energy: Four Wood Energy Partners LLC, a wholly-owned subsidiary of Four Wood Capital Partners LLC.

Four Wood Notes: the financing notes between Four Wood Corridor and Corridor Private and SWD.

GAAP: U.S. generally accepted accounting principles.

GIGS: the Grand Isle Gathering System, owned by Grand Isle Corridor, LP and triple-net leased to a wholly-owned subsidiary of Energy XXI Gulf Coast, Inc.

Grand Isle Corridor LP: Grand Isle Corridor, LP, an indirect wholly-owned subsidiary of the Company.

Grand Isle Gathering System: a subsea midstream pipeline gathering system located in the shallow Gulf of Mexico shelf and storage and onshore processing facilities.

Grand Isle Lease Agreement: the June 2015 agreement pursuant to which the Grand Isle Gathering System assets are triple-net leased to EXXI Tenant.

Lightfoot: collectively, Lightfoot Capital Partners, LP and Lightfoot Capital Partners GP LLC.

Management Agreement: references to the Management Agreement as in effect prior to May 1, 2015 mean the Management Agreement that became effective July 1, 2013, as amended effective January 1, 2014, while references to the Management Agreement as in effect on and after May 1, 2015 mean the new Management Agreement entered into May 8, 2015, effective as of May 1, 2015, between the Company and Corridor.

MMBTu: Million British Thermal Units, a measurement of natural gas.

MoGas: MoGas Pipeline LLC, an indirect wholly-owned subsidiary of CorEnergy.

MoGas Pipeline System: an approximately 263-mile interstate natural gas pipeline system in and around St. Louis and extending into central Missouri, owned and operated by MoGas.

MoGas Revolver: a \$3.0 million secured revolving line of credit facility at the MoGas subsidiary level with Regions Bank.

Mowood: Mowood, LLC, an indirect wholly-owned subsidiary of CorEnergy and the holding company of Omega Pipeline Company, LLC.

Mowood/Omega Revolver: a \$1.5 million revolving line of credit facility at the Mowood subsidiary level with Regions Bank.

NAREIT: National Association of Real Estate Investment Trusts.

Omega: Omega Pipeline Company, LLC, a wholly-owned subsidiary of Mowood, LLC.

Omega Pipeline: Omega's natural gas distribution system in south central Missouri.

- Pinedale Credit Facility: a \$70.0 million secured term credit facility, with the Company and Prudential as current lenders, used by Pinedale Corridor, LP to finance a portion of the acquisition of the Pinedale LGS.
- Pinedale LGS: the Pinedale Liquids Gathering System, a system consisting of approximately 150 miles of pipelines and four above-ground central gathering facilities located in the Pinedale Anticline in Wyoming, owned by Pinedale LP and triple-net leased to a wholly-owned subsidiary of Ultra Petroleum.

Pinedale Lease Agreement: the December 2012 agreement pursuant to which the Pinedale LGS assets are triple-net leased to a wholly owned subsidiary of Ultra Petroleum.

Pinedale LP: Pinedale Corridor, LP, an indirect subsidiary owned 81.05 percent by CorEnergy and 18.95 percent by Prudential.

Pinedale GP: the general partner of Pinedale LP and a wholly-owned subsidiary of CorEnergy.

Portland Lease Agreement: the January 2014 agreement pursuant to which the Portland Terminal Facility is triple-net leased to Arc Terminals, a wholly-owned subsidiary of Arc Logistics Partners LP.

Portland Terminal Facility: a petroleum products terminal located in Portland, Oregon.

Prudential: The Prudential Insurance Company of America.

**QDI:** qualified dividend income.

**REIT:** real estate investment trust.

SEC: Securities and Exchange Commission.

Series A Preferred Stock: the Company's 7.375% Series A Cumulative Redeemable Preferred Stock, par value \$0.001 per share, of which there currently are outstanding 52,000 shares represented by 5,200,000 depositary shares, each representing 1/100th of a whole share of Series A Preferred.

SWD: SWD Enterprises, LLC, a wholly-owned subsidiary of Four Wood Energy Partners, LLC.

TRS: taxable REIT subsidiary.

UPL: Ultra Petroleum Corp.

Ultra Wyoming: Ultra Wyoming LGS LLC, an indirect wholly-owned subsidiary of Ultra Petroleum.

United Property Systems: United Property Systems, LLC, an indirect wholly-owned subsidiary of CorEnergy, acquired with the MoGas transaction in November 2014.

**VIE:** Variable interest entity.

WTI: West Texas Intermediate, grade of crude oil used for benchmarking price.

#### CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements included or incorporated by reference in this Quarterly Report on Form 10-Q may be deemed "forward-looking statements" within the meaning of the federal securities laws. In many cases, these forward-looking statements may be identified by the use of words such as "will," "may," "should," "could," "believes," "expects," "anticipates," "estimates," "intends," "projects," "goals," "objectives," "targets," "predicts," "seeks," or similar expressions.

Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, forward-looking statements are not guarantees of future performance or results and we can give no assurance that these expectations will be attained. Our actual results may differ materially from those indicated by these forward-looking statements due to a variety of known and unknown risks and uncertainties. You should also understand that it is not possible to predict or identify all such factors and should not consider the following list to be a complete statement of all potential risks and uncertainties. Factors that could cause our actual results to differ materially from the results contemplated by such forward-looking statements include:

- the ability of our tenants and borrowers to make payments under their respective leases and mortgage loans, our reliance on certain major tenants under single tenant leases and our ability to re-lease properties;
- changes in economic and business conditions in the energy infrastructure sector where our investments are concentrated, including the financial condition of our tenants or borrowers and general economic conditions in the particular sectors of the energy industry served by each of our infrastructure assets;
- the inherent risks associated with owning real estate, including real estate market conditions, governing laws and regulations, including potential liabilities related to
  environmental matters, and the relative illiquidity of real estate investments;
- risks associated with the bankruptcy or default of any of our tenants or borrowers, including the exercise of the rights and remedies of bankrupt entities;
- the impact of laws and governmental regulations applicable to certain of our infrastructure assets, including additional costs imposed on our business or other adverse
  impacts as a result of any unfavorable changes in such laws or regulations;
- the loss of any member of our management team;
- our continued ability to access the debt and equity markets;
- our ability to successfully implement our selective acquisition strategy, including the inability to pursue our strategy due to unresolved issues impacting our current significant tenants or borrowers;
- our ability to obtain suitable tenants for our properties;
- our ability to refinance amounts outstanding under our credit facilities and our convertible notes at maturity on terms favorable to us;
- changes in interest rates under our current credit facilities and under any additional variable rate debt arrangements that we may enter into in the future:
- our ability to comply with certain debt covenants;
- dependence by us and our tenants on key customers for significant revenues, and the risk of defaults by any such tenants or customers;
- our or our tenants' ability to secure adequate insurance and risk of potential uninsured losses, including from natural disasters;
- the continued availability of third-party pipelines, railroads or other facilities interconnected with certain of our infrastructure assets:
- risks associated with owning, operating or financing properties for which the tenants', mortgagors' or our operations may be impacted by extreme weather patterns and other natural phenomena;
- our ability to sell properties at an attractive price;
- market conditions and related price volatility affecting our debt and equity securities;
- competitive and regulatory pressures on the revenues of our interstate natural gas transmission business;
- changes in federal or state tax rules or regulations that could have adverse tax consequences;
- declines in the market value of our investment securities;
- our ability to maintain internal controls and processes to ensure all transactions are accounted for properly, all relevant disclosures and filings are timely made in
  accordance with all rules and regulations, and any potential fraud or embezzlement is thwarted or detected;
- changes in federal income tax regulations (and applicable interpretations thereof), or in the composition or performance of our assets, that could impact our ability to
  continue to qualify as a real estate investment trust for federal income tax purposes; and



risks related to potential terrorist attacks, acts of cyber-terrorism, or similar disruptions that could disrupt access to our information technology systems or result in
other significant damage to our business and properties, some of which may not be covered by insurance and all of which could adversely impact distributions to our
stockholders.

Forward-looking statements speak only as of the date on which they are made. While we may update these statements from time to time, we are not required to do so other than pursuant to applicable laws. For a further discussion of these and other factors that could impact our future results and performance, see Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 2, 2017, and Part II, Item 1A, "Risk Factors", in this Report.

#### PART I. FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

# CorEnergy Infrastructure Trust, Inc. CONSOLIDATED BALANCE SHEETS

		June 30, 2017		December 31, 2016
ssets		(Unaudited)		
Leased property, net of accumulated depreciation of \$62,187,684 and \$52,219,717	\$	479,290,402	\$	489,258,369
Property and equipment, net of accumulated depreciation of \$10,969,426 and \$9,292,712		114,749,839		116,412,800
Financing notes and related accrued interest receivable, net of reserve of \$4,100,000 and \$4,100,000		1,500,000		1,500,000
Other equity securities, at fair value		9,147,158		9,287,209
Cash and cash equivalents		37,280,689		7,895,084
Deferred rent receivable		18,464,918		14,876,78
Accounts and other receivables		3,376,336		4,538,88
Deferred costs, net of accumulated amortization of \$2,814,294 and \$2,261,151		2,581,420		3,132,05
Prepaid expenses and other assets		601,428		354,23
Deferred tax asset		2,019,051		1,758,28
Goodwill		1,718,868		1,718,86
Total Assets	\$	670,730,109	\$	650,732,57
abilities and Equity			-	
Secured credit facilities, net (including \$7,701,316 and \$8,860,577 with related party)	\$	41,035,695	\$	89,387,98
Unsecured convertible senior notes, net of discount and debt issuance costs of \$2,361,512 and \$2,755,105		111,638,489		111,244,89
Asset retirement obligation		12,204,201		11,882,94
Accounts payable and other accrued liabilities		2,191,053		2,416,28
Management fees payable		1,745,325		1,735,02
Unearned revenue		543,050		155,96
Total Liabilities	\$	169,357,813	\$	216,823,09
quity			-	
Series A Cumulative Redeemable Preferred Stock 7.375%, \$130,000,000 and \$56,250,000 liquidation preference (\$2,500 per share, \$0.001 par value), 10,000,000 authorized; 52,000 and 22,500 issued and outstanding at June 30, 2017 and	¢	400,000,000	۴	50.050.00
December 31, 2016, respectively Capital stock, non-convertible, \$0.001 par value; 11,901,681 and 11,886,216 shares issued and outstanding at June 30,	\$	130,000,000	\$	56,250,00
2017 and December 31, 2016 (100,000,000 shares authorized)		11,902		11,88
Additional paid-in capital		343,585,389		350,217,74
Accumulated other comprehensive loss		(5,218)		(11,19
Total CorEnergy Equity		473,592,073		406,468,43
Non-controlling interest		27,780,223		27,441,04
Total Equity		501,372,296		433,909,48
Total Liabilities and Equity	\$	670,730,109	\$	650,732,57
ee accompanying Notes to Consolidated Financial Statements.				. ,

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See accompanying Notes to Consolidated Financial Statements.

CORENERGY CorEnergy Infrastructure Trust, Inc. CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Unaudited)

		For the Three	wonth	ns Ended		For the Six M		Ended
	J	une 30, 2017		June 30, 2016	J	June 30, 2017	J	une 30, 2016
Revenue								
Lease revenue	\$	17,050,092	\$	16,996,072	\$	34,116,618	\$	33,992,144
Transportation and distribution revenue		4,775,780		5,064,680		9,786,370		10,164,131
Financing revenue		_				_		162,344
Total Revenue		21,825,872		22,060,752		43,902,988		44,318,619
xpenses								
Transportation and distribution expenses		1,362,980		1,378,306		2,698,550		2,740,63
General and administrative		2,558,339		2,773,240		5,619,579		6,063,09
Depreciation, amortization and ARO accretion expense		6,005,995		5,737,025		12,011,903		11,033,84
Provision for loan loss and disposition		_		369,278		_		5,014,46
Total Expenses		9,927,314		10,257,849		20,330,032		24,852,03
Operating Income	\$	11,898,558	\$	11,802,903	\$	23,572,956	\$	19,466,58
Other Income (Expense)								
Net distributions and dividend income	\$	221,440	\$	214,169	\$	264,902	\$	589,74
Net realized and unrealized gain (loss) on other equity securities		614,634		1,199,665		70,426		(429,08
Interest expense		(3,202,837)		(3,540,812)		(6,657,234)		(7,466,82
Total Other Expense		(2,366,763)		(2,126,978)		(6,321,906)		(7,306,16
ncome before income taxes		9,531,795		9,675,925		17,251,050		12,160,42
axes								
Current tax expense (benefit)		57,651		203,652		23,891		(474,07
Deferred tax expense (benefit)		38,084		206,786		(260,762)		(370,60
Income tax expense (benefit), net		95,735		410,438		(236,871)	-	(844,68
let Income		9,436,060		9,265,487		17,487,921		13,005,10
Less: Net Income attributable to non-controlling interest		435,888		310,960		818,271		659,46
let Income attributable to CorEnergy Stockholders	\$	9,000,172	\$	8,954,527	\$	16,669,650	\$	12,345,64
Preferred dividend requirements		2,123,129		1,037,109		3,160,238		2,074,21
let Income attributable to Common Stockholders	\$	6,877,043	\$	7,917,418	\$	13,509,412	\$	10,271,43
			-					
Net Income	\$	9,436,060	\$	9,265,487	\$	17,487,921	\$	13,005,10
Other comprehensive income (loss):								
Changes in fair value of qualifying hedges / AOCI attributable to CorEnergy								
stockholders		3,006		3,005		5,978		(208,07
Changes in fair value of qualifying hedges / AOCI attributable to non-controlling interest		702		703		1,396		(48,64
Net Change in Other Comprehensive Income (Loss)	\$	3,708	\$	3,708	\$	7,374	\$	(256,71
otal Comprehensive Income		9,439,768	·	9,269,195	<u> </u>	17,495,295	<u> </u>	12,748,39
Less: Comprehensive income attributable to non-controlling interest		436,590		311,663		819,667		610,81
Comprehensive Income attributable to CorEnergy Stockholders	\$	9,003,178	\$	8,957,532	\$	16,675,628	\$	12,137,57
Earnings Per Common Share:			· —		-		<u> </u>	
Basic	\$	0.58	\$	0.66	\$	1.14	\$	0.8
Diluted	Ψ \$	0.58	φ \$	0.66	Ψ \$	1.14	φ \$	0.0
Weighted Average Shares of Common Stock Outstanding:	Ψ	0.00	Ψ	0.00	Ψ	1.14	Ψ	0.0
Basic		11,896,616		11,912,030		11,892,670		11,927,98
Diluted		11,896,616		15,383,892		11,892,670		11,927,98
Dividends declared per share	\$	0.750	\$	0.750	\$	1,692,670	\$	1,927,96
See accompanying Notes to Consolidated Financial Statements.	φ	0.750	φ	0.750	Ψ	1.000	Ψ	1.50

See accompanying Notes to Consolidated Financial Statements.

# CORENERGY CorEnergy Infrastructure Trust, Inc. CONSOLIDATED STATEMENT OF EQUITY

	Capital	Stock	 Preferred Stock	Additional Accumulated Other								
	Shares	Amount	Amount		Paid-in Capital		Comprehensive Income (Loss)		Retained Earnings	Non-Controlling Interest		Total
Balance at December 31. 2016	11,886,216	\$ 11,886	\$ 56,250,000	\$	350,217,746	\$	(11,196)	\$	_	\$	27,441,044	\$ 433,909,480
Net income	_	_	_		_		_		16,669,650		818,271	17,487,921
Amortization related to de-designated cash flow hedges	_	_	_		_		5,978		_		1,396	7,374
Total comprehensive income	_	_	_		_		5,978		16,669,650		819,667	17,495,295
Issuance of Series A cumulative redeemable preferred stock, 7.375% - redemption value	_	_	73,750,000		(2,579,389)		_		_		_	71,170,611
Series A preferred stock dividends	_	_	_		(727,001)		_		(2,706,983)		_	(3,433,984)
Common stock dividends	_	_	_		(3,872,516)		_		(13,962,667)		_	(17,835,183)
Common stock issued under director's compensation plan	881	1	_		29,999		_		_		_	30,000
Distributions to Non-controlling interest	_	_	_		_		_		_		(480,488)	(480,488)
Reinvestment of dividends paid to common stockholders	14,584	15	_		516,550		_		_		_	516,565
Balance at June 30, 2017 (Unaudited)	11,901,681	\$ 11,902	\$ 130,000,000	\$	343,585,389	\$	(5,218)	\$	_	\$	27,780,223	\$ 501,372,296

See accompanying Notes to Consolidated Financial Statements.

# CORENERGY CorEnergy Infrastructure Trust, Inc. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

		June 30, 2017	1.	une 30, 2016
Deerating Activities	<u>`</u>	June 30, 2017	J	une 30, 2016
Net Income	\$	17,487,921	\$	13,005,10
Adjustments to reconcile net income to net cash provided by operating activities:	Ψ	17,407,321	Ψ	10,000,10
Deferred income tax, net		(260,762)		(370,60
Depreciation, amortization and ARO accretion		12,949,644		12,149,78
Provision for loan loss				5,014,46
Non-cash settlement of accounts payable		(171,609)		0,011,10
		(171,009)		(00.70
Gain on repurchase of convertible debt		140.040		(68,73
Net distributions and dividend income, including recharacterization of income		148,649		(117,00
Net realized and unrealized (gain) loss on other equity securities		(70,426)		429,08
Unrealized gain on derivative contract		(16,453)		(132,09
Common stock issued under directors compensation plan		30,000		30,00
Changes in assets and liabilities:				
Increase in deferred rent receivable		(3,588,136)		(4,777,76
Decrease in accounts and other receivables		1,162,548		1,044,19
Decrease in financing note accrued interest receivable		—		95,11
Decrease (increase) in prepaid expenses and other assets		134,023		(143,99
Increase (decrease) in management fee payable		10,301		(63,96
Decrease in accounts payable and other accrued liabilities		(53,621)		(133,10
Increase in unearned revenue		29,695		54,09
Net cash provided by operating activities	\$	27,791,774	\$	26,014,59
nvesting Activities				
Proceeds from assets and liabilities held for sale		_		644,93
Purchases of property and equipment, net		(13,745)		(372,23
Proceeds from asset foreclosure and sale		_		223,45
Increase in financing notes receivable		—		(202,00
Return of capital on distributions received		61,828		2,13
Net cash provided by investing activities	\$	48,083	\$	296,28
inancing Activities				
Debt financing costs		(2,512)		(193,00
Net offering proceeds on Series A preferred stock		71,170,611		-
Repurchases of common stock		_		(2,041,85
Repurchases of convertible debt		_		(931,26
Dividends paid on Series A preferred stock		(3,433,984)		(2,074,21
Dividends paid on common stock		(17,318,618)		(17,570,35
Distributions to non-controlling interest		(480,488)		
Advances on revolving line of credit				44,000,00
Payments on revolving line of credit		(44,000,000)		
Principal payments on secured credit facilities		(4,389,261)		(54,002,81
Net cash provided (used) by financing activities	\$		\$	(32,813,50
let Change in Cash and Cash Equivalents	\$		\$	(6,502,62
Cash and Cash Equivalents at beginning of period	φ	7,895,084	Ψ	14,618,74
	\$		\$	
Cash and Cash Equivalents at end of period	<del>م</del>	31,280,889	Þ	8,116,11

See accompanying Notes to Consolidated Financial Statements.

Supplemental information continued on next page.



CorEnergy Infrastructure Trust, Inc. CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (Continued from previous page)

		For the Six I	Month	s Ended
		June 30, 2017		June 30, 2016
Supplemental Disclosure of Cash Flow Information				
Interest paid	\$	5,777,328	\$	6,758,715
Income taxes paid (net of refunds)		132,202		3,437
Non-Cash Investing Activities				
Change in accounts and other receivables	\$	_	\$	(450,000)
Net change in Assets Held for Sale, Property and equipment, Prepaid expenses and other assets, Accounts payable and other accrued liabilities and Liabilities held for sale		-		(1,776,549
Non-Cash Financing Activities				
Reinvestment of distributions by common stockholders in additional common shares	\$	516.565	\$	331.823
See accompanying Notes to Consolidated Financial Statements.	÷	010,000	Ŷ	001,020



#### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) June 30, 2017

#### 1. INTRODUCTION AND BASIS OF PRESENTATION

#### Introduction

CorEnergy Infrastructure Trust, Inc. ("CorEnergy" or "the Company"), was organized as a Maryland corporation and commenced operations on December 8, 2005. The Company's common shares are listed on the New York Stock Exchange ("NYSE") under the symbol "CORR" and the depositary shares representing its Series A Preferred Stock are listed on the NYSE under the symbol "CORR PrA".

The Company is primarily focused on acquiring and financing real estate assets within the U.S. energy infrastructure sector and concurrently entering into long-term triple-net participating leases with energy companies. The Company also may provide other types of capital, including loans secured by energy infrastructure assets. Targeted assets include pipelines, storage tanks, transmission lines, and gathering systems, among others. These sale-leaseback or real property mortgage transactions provide the energy company with a source of capital that is an alternative to other sources such as corporate borrowing, bond offerings, or equity offerings. Many of the Company's leases contain participation features in the financial performance or value of the underlying infrastructure real property asset. The triple-net lease structure requires that the tenant pay all operating expenses of the business conducted by the tenant, including real estate taxes, insurance, utilities, and expenses of maintaining the asset in good working order. CorEnergy considers its investments in these energy infrastructure assets to be a single business segment and reports them accordingly in its financial statements.

In 2013 CorEnergy qualified, and in March 2014 elected (effective as of January 1, 2013), to be treated as a REIT for federal income tax purposes. Because certain of the Company's assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned Taxable REIT Subsidiaries ("TRSs") in order to limit the potential that such assets and income could prevent the Company from qualifying as a REIT. The Company's use of TRSs enables it to continue to engage in certain businesses while complying with REIT qualification requirements and also allows it to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. In the future, the Company may elect to reorganize and transfer certain assets or operations from its TRSs to the Company or other subsidiaries, including qualified REIT subsidiaries. TRSs hold the Company's securities portfolio, operating businesses and certain financing notes receivable.

#### **Basis of Presentation and Use of Estimates**

The accompanying consolidated financial statements include CorEnergy accounts and the accounts of its wholly-owned subsidiaries andhave been prepared in accordance with GAAP set forth in the ASC, as published by the FASB, and with the SEC instructions to Form 10-Q, and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. The accompanying consolidated financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the Company's financial position, results of operations, and cash flows for the periods presented. There were no adjustments that, in the opinion of management, were not of a normal and recurring nature. All intercompany transactions and balances have been eliminated in consolidation, and the Company's net earnings are reduced by the portion of net earnings attributable to non-controlling interests.

Operating results for the three and six months ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year endingDecember 31, 2017 or any other interim or annual period. These consolidated financial statements and Management's Discussion and Analysis of the Financial Condition and Results of Operations should be read in conjunction with CorEnergy's Annual Report on Form 10-K, for the year ended December 31, 2016, filed with the SEC on March 2, 2017 (the "2016 CorEnergy 10-K").

#### 2. RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers" ("ASU 2014-09"), which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The standard was originally effective for interim and annual periods beginning after December 15, 2016 and permits the use of either the retrospective or cumulative effect transition method. On July 9, 2015, the FASB approved a one-year deferral of the effective date making the standard effective for interim and annual periods beginning after December 15, 2017. The Company is currently planning to use the modified retrospective transition method. The Company is also currently evaluating the impact that this standard will have on its consolidated financial statements and disclosures, as well as its processes and internal controls.



As part of its assessment work, the Company has formed an implementation team, completed training on the new revenue recognition model and is undertaking a review of its contracts. However, the Company does not expect that adoption of the standard will have a significant impact on its consolidated financial statements, as a substantial portion of its revenue consists of rental income from leasing arrangements, which is specifically excluded from ASU 2014-09.

In January 2016, the FASB issued ASU 2016-01 "Financial Instruments — Overall: Recognition and Measurement of Financial Assets and Financial Liabilities," which will require entities to measure their investments at fair value and recognize any changes in fair value in net income unless the investments qualify for the new practicability exception. The practicability exception will be available for equity investments that do not have readily determinable fair values. The guidance is effective for fiscal years beginning after December 15, 2017. The Company is currently evaluating the impact of adopting the new standard but does not believe that its adoption will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02 "Leases" ("ASU 2016-02"), which amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. ASU 2016-02 is effective for fiscal years and interim periods beginning after December 15, 2018, with early adoption permitted. At adoption, the standard will be applied using a modified retrospective approach. Management is in the process of evaluating the impact of the standard on its consolidated financial statements and related disclosures.

In June 2016, the FASB issued ASU 2016-13 "Financial Instruments - Credit Losses" ("ASU 2016-13"), which introduces an approach based on expected losses to estimate credit losses on certain types of financial instruments. The new model, referred to as the current expected credit losses ("CECL model"), will apply to financial assets subject to credit losses and measured at amortized cost, and certain off-balance sheet credit exposures. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. Early application of the guidance will be permitted for all entities for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. Management is currently evaluating the impact that adopting the new standard will have on the Company's consolidated financial statements but believes that, unless the Company acquires any additional financing receivables, the impact will not be material.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows: Classification of Certain Cash Receipts and Cash Payments." This new standard will make eight targeted changes to how cash receipts and cash payments are presented and classified in the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2017 and will require adoption on a retrospective basis unless it is impracticable to apply, in which case we would be required to apply the amendments prospectively as of the earliest date practicable. Management is currently evaluating the impact of the new standard but does not expect that its adoption will have a material impact.

In January 2017, the FASB issued ASU 2017-01, "Clarifying the Definition of a Business," which clarifies the definition of "a business" to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of assets or businesses. The standard introduces a screen for determining when assets acquired are not a business and clarifies that a business must include, at a minimum, an input and a substantive process that contribute to an output to be considered a business. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within that reporting period. Early adoption is allowed for transactions where the acquisition (or subsidiary deconsolidation) occurs before the effective date of the amendments and the transaction has not been previously reported in the financial statements. Management is currently evaluating the impact and timing of adopting the new standard.

In January 2017, the FASB issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment" ("ASU 2017-04"), which simplifies how an entity is required to test goodwill for impairment by eliminating Step 2 from the goodwill impairment test. Step 2 measures a goodwill impairment loss by comparing the implied fair value of a reporting unit's goodwill with the carrying amount of that goodwill. Under the amendments in ASU 2017-04, an entity should recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The standard is effective for annual or interim tests performed in fiscal years beginning after December 15, 2019. Early adoption is permitted for goodwill impairment tests performed on testing dates after January 1, 2017. As the standard will be applied prospectively, for measurement of goodwill impairment losses when an impairment is indicated, the impact of adoption to the financial statements will depend on various factors. However, elimination of the second step will reduce the complexity and cost of measuring any such impairment.

#### 3. LEASED PROPERTIES AND LEASES

As of June 30, 2017, the Company had three significant leased properties located in Oregon, Wyoming, Louisiana, and the Gulf of Mexico, which are leased on a triple-net basis to major tenants, described in the table below. These major tenants are responsible

for the payment of all taxes, maintenance, repairs, insurance, and other operating expenses relating to the leased properties. The long-term, triple-net leases generally have an initial term of 11 to 15 years with options for renewals. Lease payments are scheduled to increase at varying intervals during the initial terms of the leases. The following table summarizes the significant leased properties, major tenants and lease terms:

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Summary of Leased Properties, Major Tenants and Lease Terms										
Property	Grand Isle Gathering System	Pinedale LGS <sup>(1)</sup>	Portland Terminal Facility							
Location	Gulf of Mexico/Louisiana	Pinedale, WY	Portland, OR							
Tenant	enant Energy XXI GIGS Services, LLC Ultra Wyoming LGS, LLC									
Asset Description	Approximately 153 miles of offshore pipeline with total capacity of 120 thousand Bbls/d, including a 16-acre onshore terminal and saltwater disposal system.	Approximately 150 miles of pipelines and four central storage facilities.	A 39-acre rail and marine facility property adjacent to the Willamette River with 84 tanks and total storage capacity of approximately 1.5 million barrels.							
Date Acquired	June 2015	December 2012	January 2014							
Initial Lease Term	11 years	15 years	15 years							
Renewal Option	Equal to the lesser of 9-years or 75 percent of the remaining useful life	5-year terms	5-year terms							
Current Monthly Rent Payments	Current Monthly Rent Payments 7/1/16 - 6/30/17: \$2,826,250 7/1/17 - 6/30/18: \$2,854,667		\$513,355							
Initial Estimated Useful Life	27 years	26 years	30 years							

(1) Non-Controlling Interest Partner, Prudential, funded a portion of the Pinedale LGS acquisition and, as a limited partner, holds 18.95 percent of the economic interest in Pinedale LP. Pinedale GP, a wholly-owned subsidiary of the Company, holds the remaining 81.05 percent of the economic interest.

The future contracted minimum rental receipts for all leases as ofJune 30, 2017, are as follows:

#### Future Minimum Lease Receipts (1)

Years Ending December 31,	Amount
2017	\$ 30,672,815
2018	61,356,965
2019	63,685,399
2020	70,846,857
2021	77,027,332
Thereafter	376,287,233
Total	\$ 679,876,601

(1)Future minimum lease receipts include base rents for the Portland Terminal Facility through its initial 15-year term. The lessee has a purchase option on the facility beginning in February 2017, which it can exercise with 90-days notice, as well as lease termination options on the fifth and tenth anniversaries of the lease. If exercised, the purchase option and termination options are subject to additional payment provisions and termination fees prescribed under the lease.

The table below displays the Company's individually significant leases as a percentage of total leased properties and total lease revenues for the periods presented:

		As a Percentage of <sup>(1)</sup>											
	Leased	Leased Properties			venues								
			For the Three M	onths Ended	For the Six Mo	onths Ended							
	June 30, 2017	December 31, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016							
Pinedale LGS	39.7%	39.8 %	30.6%	30.4%	30.6%	30.4%							
Grand Isle Gathering System	50.1%	50.0 %	59.6%	59.8%	59.6%	59.8%							
Portland Terminal Facility	9.9%	9.9%	9.6%	9.7%	9.7%	9.7%							

(1) Insignificant leases are not presented; thus percentages may not sum to 100%.

The following table reflects the depreciation and amortization included in the accompanying Consolidated Statements of Income associated with the Company's leases and leased properties:

		For the Three Months Ended				For the Six I	Months Ended		
	Ju	June 30, 2017 June 30, 2016		J	une 30, 2017	J	une 30, 2016		
Depreciation Expense									
GIGS	\$	2,438,649	\$	2,153,928	\$	4,877,298	\$	4,297,650	
Pinedale		2,217,360		2,217,360		4,434,720		4,434,720	
Portland Terminal Facility		318,915		318,915		637,830		205,256	
United Property Systems		9,060		7,425		18,119		14,850	
Total Depreciation Expense	\$	4,983,984	\$	4,697,628	\$	9,967,967	\$	8,952,476	
Amortization Expense - Deferred Lease Costs									
GIGS	\$	7,641	\$	7,641	\$	15,282	\$	15,282	
Pinedale		15,342		15,342		30,684		30,684	
Total Amortization Expense - Deferred Lease Costs	\$	22,983	\$	22,983	\$	45,966	\$	45,966	
ARO Accretion Expense									
GIGS	\$	160,629	\$	174,375	\$	321,258	\$	358,457	
Total ARO Accretion Expense	\$	160,629	\$	174,375	\$	321,258	\$	358,457	

The following table reflects the deferred costs that are included in the accompanying Consolidated Balance Sheets associated with the Company's leased properties:

	Jun	e 30, 2017	Dece	December 31, 2016	
Net Deferred Lease Costs					
GIGS	\$	275,165	\$	290,447	
Pinedale		642,401		673,085	
Total Deferred Lease Costs, net	\$	\$ 917,566		963,532	

Substantially all of the lease tenants' financial results are driven by exploiting naturally occurring oil and natural gas hydrocarbon deposits beneath the Earth's surface. As a result, the tenants' financial results are highly dependent on the performance of the oil and natural gas industry, which is highly competitive and subject to volatility. During the terms of the leases, management monitors the credit quality of its tenants by reviewing their published credit ratings, if available, reviewing publicly available financial statements, or reviewing financial or other operating statements, monitoring news reports regarding the tenants and their respective businesses, and monitoring the timeliness of lease payments and the performance of other financial covenants under their leases.

#### UPL

On March 14, 2017, the bankruptcy court issued an order confirming its plan of reorganization and on April 12, 2017, UPL emerged from bankruptcy. UPL is currently subject to the reporting requirements under the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. Its SEC filings can be found at www.sec.gov. Following emergence from bankruptcy, Ultra Petroleum Corp. stock is trading on the NASDAQ under the symbol UPL. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of UPL but has no reason to doubt the accuracy or completeness of such information. In addition, UPL has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of UPL that are filed with the SEC is incorporated by reference into, or in any way form, a part of this filing.

#### EXXI

EXXI is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. Its SEC filings can be found at www.sec.gov. Its stock is currently trading on the NASDAQ under the symbol EXXI. The Company makes no representation as to the accuracy or completeness of the audited and unaudited financial statements of doubt the accuracy or completeness of such information. In addition, EXXI has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of EXXI that are filed with the SEC is incorporated by reference into, or in any way form, a part of this filing.

#### ARCX

ARCX is currently subject to the reporting requirements of the Exchange Act and is required to file with the SEC annual reports containing audited financial statements and quarterly reports containing unaudited financial statements. The audited financial statements and unaudited financial statements of Arc Logistics can be found on the SEC's website at www.sec.gov (NYSE: ARCX). The Company makes no representation as to the accuracy or completeness of the audited financial statements of ARCX but has no reason to doubt the accuracy or completeness of such information. In addition, ARCX has no duty, contractual or otherwise, to advise the Company of any events that might have occurred subsequent to the date of such financial statements which could affect the significance or accuracy of such information. None of the information in the public reports of ARCX that are filed with the SEC is incorporated by reference into, or in any way form, a part of this filing.

#### 4. FINANCING NOTES RECEIVABLE

Financing notes receivable are presented at face value plus accrued interest receivable and deferred loan origination costs, and net of related direct loan origination income. Each quarter the Company reviews its financing notes receivable to determine if the balances are realizable based on factors affecting the collectability of those balances. Factors may include credit quality, timeliness of required periodic payments, past due status, and management discussions with obligors. The Company evaluates the collectability of both interest and principal of each of its loans to determine if an allowance is needed. An allowance will be recorded when, based on current information and events, the Company determines it is probable that it will be unable to collect all amounts due according to the existing contractual terms. If the Company does determine an allowance is necessarily result in the recording of an allowance. Generally, when interest and/or principal payments on a loan become past due, or if management otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing financing revenue on that loan until all principal and interest have been brought current. Interest income recognition is resumed if and when the previously reserved for financing notes become contractually current and performance has been demonstrated. Payments received subsequent to the recording of an allowance will be recorded as a reduction to principal.

#### Black Bison Financing Notes

On February 29, 2016, the Company foreclosed on 100 percent of the equity of BB Intermediate, the borrower of the Black Bison financing notes, as well as all of the other collateral securing the Black Bison Loans. The foreclosure was accepted in satisfaction of \$2.0 million of the total outstanding loan balance. On June 16, 2016, the Company entered into an asset sale agreement with Expedition Water Solutions for the sale of specified disposal wells and related equipment as outlined in the sale agreement. Consideration received by the company included \$748 thousand cash, net of fees, and the future right to royalty payments, which was recorded at its fair value of \$450 thousand. The rights to future cash payments are tied to the future volumes of water disposed of in each of the wells sold. The Company did not record any financing revenue related to the Black Bison Loans for the six months ended June 30, 2016 or any subsequent period. These notes were considered by the Company to be on non-accrual status and were reflected as such in the financial statements. For the three and six months ended June 30, 2016 the Company recorded \$369 thousand and \$832 thousand, respectively, in provision for loan losses related to the Black Bison Loans.

#### Four Wood Financing Note Receivable

As a result of the decreased economic activity by SWD, the Company recorded a provision for loan loss with respect to the SWD Loans. The Consolidated Statements of Income for the six months ended June 30, 2016 reflect a Provision for Loan Loss of \$3.5 million, which includes \$71 thousand of deferred origination income and \$98 thousand of interest accrued under the original loan agreements. The loans were placed on non-accrual status during the first quarter of 2016.

#### 5. VARIABLE INTEREST ENTITIES

The FASB issued ASU 2015-02, "Consolidations (Topic 810) - Amendments to the Consolidation Analysis" ("ASU 2015-02"), which amended previous consolidation guidance, including introducing a separate consolidation analysis specific to limited partnerships and other similar entities. Under this analysis, limited partnerships and other similar entities are considered a VIE unless the limited partners hold substantive kick-out rights or participating rights. Management determined that Pinedale LP and Grand Isle Corridor LP are VIEs under the amended guidance because the limited partners of both partnerships lack both substantive kick-out rights and partnerships and other similar entities are consolidated the qualitative criteria under FASB ASC Topic 810 - Consolidation in conjunction with ASU 2015-02 to make a determination whether these partnerships should be consolidated on the Company's financial statements. ASC Topic 810-10 requires the primary beneficiary of a variable interest entity's activities to consolidate the VIE. The primary beneficiary is identified as the enterprise that has a) the power to direct the activities of the VIE that most significantly impact the entity's economic performance and b) the obligation to absorb losses of the entity that could



potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. The standard requires an ongoing analysis to determine whether the variable interest gives rise to a controlling financial interest in the VIE. Based on the general partners' roles and rights as afforded by the partnership agreements and its exposure to losses and benefits of each of the partnerships through its significant limited partner interests, management determined that CorEnergy is the primary beneficiary of both Pinedale LP and Grand Isle Corridor LP. Based upon that evaluation, the consolidated financial statements presented include full consolidation with respect to both of the partnerships.

#### 6. INCOME TAXES

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting and tax purposes. Components of the Company's deferred tax assets and liabilities as of June 30, 2017 and December 31, 2016, are as follows:

Deferred Tax Assets and Liabilities				
	Jı	une 30, 2017	Dec	cember 31, 2016
Deferred Tax Assets:				
Net operating loss carryforwards	\$	1,533,957	\$	1,144,818
Net unrealized loss on investment securities		34,119		61,430
Cost recovery of leased and fixed assets		669,143		739,502
Loan Loss Provision		385,180		608,086
Other loss carryforwards		3,929,335		3,187,181
Sub-total	\$	6,551,734	\$	5,741,017
Deferred Tax Liabilities:				
Basis reduction of investment in partnerships	\$	(2,199,063)	\$	(2,158,746)
Cost recovery of leased and fixed assets		(2,333,620)		(1,823,982)
Sub-total	\$	(4,532,683)	\$	(3,982,728)
Total net deferred tax asset	\$	2,019,051	\$	1,758,289

As of June 30, 2017, the total deferred tax assets and liabilities presented above relate to the Company's TRSs. The Company recognizes the tax benefits of uncertain tax positions only when the position is "more likely than not" to be sustained upon examination by the tax authorities based on the technical merits of the tax position. The Company's policy is to record interest and penalties on uncertain tax positions as part of tax expense. Tax years subsequent to the year ended December 31, 2012 remain open to examination by federal and state tax authorities.

Total income tax expense (benefit) differs from the amount computed by applying the federal statutory income tax rate ob5 percent for the three and six months ended June 30, 2017 and 2016 to income or loss from operations and other income and expense for the periods presented, as follows:

Income Tax Expense (Benefit)											
For the Three Months Ended For the Six Months End											
		June 30, 2017	J	une 30, 2016	J	une 30, 2017	J	une 30, 2016			
Application of statutory income tax rate	\$	3,158,922	\$	3,277,737	\$	5,726,827	\$	4,025,336			
State income taxes, net of federal tax expense (benefit)		3,786		25,234		(31,651)		(58,026)			
Federal Tax Attributable to Income of Real Estate Investment Trust		(3,066,973)		(2,892,533)		(5,932,047)		(4,811,998)			
Total income tax expense (benefit)	\$	95,735	\$	410,438	\$	(236,871)	\$	(844,688)			

Total income taxes are computed by applying the federal statutory rate of 35 percent plus a blended state income tax rate. Corridor Public Holdings, Inc. and Corridor Private Holdings, Inc. had a blended state rate of approximately 3.78 percent for the three and six months ended June 30, 2017 and 2.82 percent for the three and six months ended June 30, 2016. CorEnergy BBWS, Inc. does not record a provision for state income taxes because it operates only in Wyoming, which does not have state income tax. Because Mowood Corridor, Inc. and Corridor MoGas, Inc. primarily only operate in the state of Missouri, a blended state income tax rate of 5 percent was used for the operations of both TRSs for the three and six months ended June 30, 2017 and 2016 For the three and six months ended June 30, 2017 and 2016, all of the income tax benefit presented above relates to the assets and activities held in the Company's TRSs. The components of income tax expense (benefit) include the following for the periods presented:

come Tax E	Expense (Benet	fit)						
For the Three Months Ended For the Six Mo								
June 30, 2017 June 30, 2016 J				Ju	ine 30, 2017	June 30, 2016		
\$	52,031	\$	188,467	\$	21,562	\$	(438,730)	
	5,620		15,185		2,329		(35,349)	
\$	57,651	\$	203,652	\$	23,891	\$	(474,079)	
						_		
\$	39,918	\$	196,737	\$	(226,782)	\$	(347,932)	
	(1,834)		10,049		(33,980)		(22,677)	
\$	38,084	\$	206,786	\$	(260,762)	\$	(370,609)	
\$	95,735	\$	410,438	\$	(236,871)	\$	(844,688)	
	Jun \$ \$	For the Three June 30, 2017 \$ 52,031 5,620 \$ 57,651 \$ 39,918 (1,834) \$ 38,084	June 30, 2017         June           \$         52,031         \$           5,620         \$         \$           \$         57,651         \$           \$         39,918         \$           (1,834)         \$         \$	For the Three Months Ended           June 30, 2017         June 30, 2016           \$ 52,031         \$ 188,467           5,620         15,185           \$ 57,651         \$ 203,652           \$ 39,918         \$ 196,737           (1,834)         10,049           \$ 38,084         \$ 206,786	For the Three Months Ended         June 30, 2017         June 30, 2016         June 30, 2016           \$ 52,031         \$ 188,467         \$           \$ 52,031         \$ 188,467         \$           \$ 52,031         \$ 188,467         \$           \$ 52,031         \$ 188,467         \$           \$ 57,651         \$ 203,652         \$           \$ 39,918         \$ 196,737         \$           \$ 38,084         \$ 206,786         \$	For the Three Months Ended         For the Six M           June 30, 2017         June 30, 2016         June 30, 2017           \$ 52,031         \$ 188,467         \$ 21,562           5,620         15,185         2,329           \$ 57,651         \$ 203,652         \$ 23,891           \$ 39,918         \$ 196,737         \$ (226,782)           (1,834)         10,049         (33,980)           \$ 38,084         \$ 206,786         \$ (260,762)	For the Three Months Ended         For the Six Months           June 30, 2017         June 30, 2016         June 30, 2017         June 30, 2016           \$ 52,031         \$ 188,467         \$ 21,562         \$           \$ 52,031         \$ 188,467         \$ 21,562         \$           \$ 57,651         \$ 203,652         \$ 23,891         \$           \$ 39,918         \$ 196,737         \$ (226,782)         \$           (1,834)         10,049         (33,980)         \$           \$ 38,084         \$ 206,786         \$ (260,762)         \$	

As of December 31, 2016, the TRSs had an aggregate net operating loss of \$3.0 million. The net operating loss may be carried forward for 20 years. If not utilized, this net operating loss will expire as follows: \$90 thousand, \$804 thousand, \$479 thousand and \$1.7 million in the years ending December 31, 2033, 2034, 2035 and 2036 respectively. The amount of deferred tax asset for net operating losses as of June 30, 2017 includes amounts for the six months ended June 30, 2017. The aggregate cost of securities for federal income tax purposes and securities with unrealized appreciation and depreciation, were as follows:

#### Aggregate Cost of Securities for Income Tax Purposes

	June 30, 2017	December 31, 2016				
Aggregate cost for federal income tax purposes	\$ 4,000,757	\$	4,327,077			
Gross unrealized appreciation	 5,582,630		5,408,242			
Gross unrealized depreciation	 _					
Net unrealized appreciation	\$ 5,582,630	\$	5,408,242			

#### 7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Property and Equipment				
	J	une 30, 2017	De	cember 31, 2016
Land	\$	580,000	\$	580,000
Natural gas pipeline		124,288,657		124,288,156
Vehicles and trailers		582,049		570,267
Office equipment and computers		268,559		267,095
Gross property and equipment	\$	125,719,265	\$	125,705,518
Less: accumulated depreciation		(10,969,426)		(9,292,712)
Net property and equipment	\$	114,749,839	\$	116,412,806

Depreciation of property and equipment is as follows:

		For the Three	Months	Ended		For the Six M	lonths	Ended	
	Ju	ne 30, 2017	Ju	ne 30, 2016	Ju	ine 30, 2017	Ju	ine 30, 2016	
epreciation Expense	\$	838,399	\$	842,040	\$	1,676,712	\$	1,676,945	

#### 8. MANAGEMENT AGREEMENT

The Company pays its manager, Corridor, pursuant to a Management Agreement as described in the 2016 CorEnergy 10-K. Fees incurred under the Management Agreement for the three and six months ended June 30, 2017 were \$1.8 million and \$3.6 million, respectively, compared to \$1.6 million and \$3.5 million, respectively, for the three and six months ended June 30, 2016. Fees incurred under the Management Agreement are reported in the General and Administrative line item on the Consolidated Statements of Income.

The Company pays its administrator, Corridor, pursuant to an Administrative Agreement. Fees incurred under the Administrative Agreement for the three and six months ended June 30, 2017 were \$67 thousand and \$134 thousand, respectively, compared to \$65



thousand and \$132 thousand, respectively, for the three and six months ended June 30, 2016 Fees incurred under the Administrative Agreement are reported in the General and Administrative line item on the Consolidated Statements of Income.

#### 9. FAIR VALUE

The following tables set forth the Company's assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as offune 30, 2017 and December 31, 2016.

			June 3	0, 2017			
					Fair Value		
		Total	 Level 1		Level 2		Level 3
Assets:							
Other equity securities	\$	9,147,158	\$ _	\$	_	\$	9,147,158
Interest Rate Swap Derivative		43,777	_		43,777		_
Total Assets	\$	9,190,935	\$ _	\$	43,777	\$	9,147,158
			Decembe	er 31, 20 <sup>.</sup>	16		
					Fair Value		
		Total	Level 1		Level 2		Level 3
Assets:							
Other equity securities	\$	9,287,209	\$ _	\$	_	\$	9,287,209
Interest Rate Swap Derivative		19,950	_		19,950		_
Total Assets	¢	9,307,159	\$	¢	19,950	¢	9,287,209

At June 30, 2017, the only assets and liabilities measured at fair value on a recurring basis were the Company's derivatives and its equity securities. On March 30, 2016, the Company terminated one of the cash flow hedges with a notional amount of \$26.3 million concurrent with the assignment of the Pinedale Credit Facility. The remaining cash flow hedge was de-designated from hedge accounting as of March 30, 2016, and continues to be valued using a consistent methodology and therefore is classified as a Level 2 measurement. Subsequent to de-designation, changes in the fair value are recognized in earnings in the period in which the changes occur.

The valuation of the interest rate swaps are determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. The inputs used to value the derivatives fall primarily within Level 2 of the value hierarchy.

The changes for all Level 3 securities measured at fair value on a recurring basis using significant unobservable inputs for thesix months ended June 30, 2017 and 2016 are as follows:

			Level 3 Ro	llfor	ward							
For the Six Months Ended June 30, 2017	Fair Value Beginning Balance	Acquisitions	Disposals	Total Realized and Unrealized Gains/(Losses) Included in Net Income		Return of Capital Adjustments Impacting Cost Basis of Securities		Fair Value           Ending Balance           \$ 9,147,158           \$ 9,147,158		Fair Value		hanges in alized Losses, luded In Net ne, Relating to ties Still Held <sup>(1)</sup>
Other equity securities	\$ 9,287,209	\$ _	\$ _	\$	70,426	\$ (210,477)	\$	9,147,158	\$	70,426		
Total	\$ 9,287,209	\$ 	\$ 	\$	70,426	\$ (210,477)	\$	9,147,158	\$	70,426		
For the Six Months Ended June 30, 2016												
Other equity securities	\$ 8,393,683	\$ _	\$ _	\$	(472,416)	\$ 114,869	\$	8,036,136	\$	(472,416)		
Total	\$ 8,393,683	\$ _	\$ 	\$	(472,416)	\$ 114,869	\$	8,036,136	\$	(472,416)		

(1) Located in Net realized and unrealized gain on other equity securities in the Consolidated Statements of Income

The Company utilizes the beginning of reporting period method for determining transfers between levels. There wereno transfers between levels 1, 2 or 3 for the six months ended June 30, 2017 and 2016.



#### Valuation Techniques and Unobservable Inputs

The Company's other equity securities, which represent securities issued by private companies, are classified as Level 3 assets and the Company has elected to report at fair value under the fair value option. Significant judgment is required in selecting the assumptions used to determine the fair values of these investments.

As of June 30, 2017 and December 31, 2016, the Company's investment in Lightfoot is its only remaining significant private company investment. Lightfoot, in turn, owns a combination of public and private investments. Therefore, Lightfoot was valued using a combination of the following valuation techniques: (i) public share price of private companies' investments, and (ii) discounted cash flow analysis using an estimated discount rate of 15.7 percent to 17.7 percent and 15.3 percent to 17.3 percent as of June 30, 2017 and December 31, 2016, respectively. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of the Company's investment may fluctuate from period to period. Additionally, the fair value of the Company's investment may differ from the values that would have been used had a ready market existed for such investment and may differ materially from the values that the Company may ultimately realize.

As of both June 30, 2017 and December 31, 2016, the Company held a 6.6 percent and 1.5 percent equity interest in Lightfoot LP and Lightfoot GP, respectively. Lightfoot's assets include an ownership interest in Gulf LNG, a 1.5 billion cubic feet per day ("bcf/d") receiving, storage, and regasification terminal in Pascagoula, Mississippi, and common units and subordinated units representing an approximately 40 percent aggregate limited partner interest, and a noneconomic general partner interest, in Arc Logistics Partners LP (NYSE: ARCX). The Company holds observation rights on Lightfoot's Board of Directors.

Certain condensed combined unaudited financial information of the unconsolidated affiliate, Lightfoot, is presented in the following tables:

	 June 30, 2017	[	December 31, 2016
	 (Una	udited)	
	(in the	ousands)	
Assets			
Current assets	\$ 17,787	\$	20,412
Noncurrent assets	693,156		698,745
Total Assets	\$ 710,943	\$	719,157
Liabilities			
Current liabilities	\$ 14,902	\$	14,718
Noncurrent liabilities	271,320		268,805
Total Liabilities	\$ 286,222	\$	283,523
Partner's equity	 424,721		435,634
Total liabilities and partner's equity	\$ 710,943	\$	719,157

	For the Three	Mont	hs Ended		For the Six M	Ionths Ended		
	June 30, 2017		June 30, 2016		June 30, 2017	Ju	ne 30, 2016	
			(Unau	dited)				
			(in thou	isands)				
Revenues	\$ 26,586	\$	26,243	\$	52,511	\$	52,310	
Operating expenses	22,803		20,812		45,274		42,884	
Income (Loss) from Operations	\$ 3,783	\$	5,431	\$	7,237	\$	9,426	
Other income	1,860		2,369		3,770		4,743	
Net Income	\$ 5,643	\$	7,800	\$	11,007	\$	14,169	
Less: Net Income attributable to non-controlling interests	(1,977)		(5,070)		(5,107)		(9,077)	
Net Income attributable to Partner's Capital	\$ 3,666	\$	2,730	\$	5,900	\$	5,092	

The following section describes the valuation methodologies used by the Company for estimating fair value for financial instruments not recorded at fair value, but fair value is included for disclosure purposes only, as required under disclosure guidance related to the fair value of financial instruments.

Cash and Cash Equivalents — The carrying value of cash, amounts due from banks, federal funds sold and securities purchased under resale agreements approximates fair value.

*Financing Notes Receivable* — The financing notes receivable are valued on a non-recurring basis. The financing notes receivable are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Financing Notes with carrying values that are not expected to be recovered through future cash flows are written-down to their estimated net realizable value. Estimates of realizable value are determined based on unobservable inputs, including estimates of future cash flow generation and value of collateral underlying the notes.

Secured Credit Facilities - The fair value of the Company's long-term variable-rate debt under its secured credit facilities approximates carrying value.

Unsecured Convertible Senior Notes — The fair value of the unsecured convertible senior notes is estimated using quoted market prices.

	Carrying and F	Fair Va	lue Amounts							
			June 3	30, 20 <sup>-</sup>	17	December 31, 2016				
	Level within fair value hierarchy		Carrying Amount <sup>(1)</sup>		Fair Value	 Carrying Amount <sup>(1)</sup>		Fair Value		
Financial Assets:										
Cash and cash equivalents	Level 1	\$	37,280,689	\$	37,280,689	\$ 7,895,084	\$	7,895,084		
Financing notes receivable (Note 4)	Level 3	\$	1,500,000	\$	1,500,000	\$ 1,500,000	\$	1,500,000		
Financial Liabilities:										
Secured Credit Facilities	Level 2	\$	41,035,695	\$	41,035,695	\$ 89,387,985	\$	89,387,985		
Unsecured convertible senior notes	Level 1	\$	111,638,489	\$	127,821,360	\$ 111,244,895	\$	129,527,940		
(4) The second s										

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(1) The carrying value of debt balances are presented net of unamortized original issuance discount and debt issuance costs.

#### 10. DEBT

The following is a summary of the Company's debt facilities and balances as of June 30, 2017 and December 31, 2016:

		Total Commitment	Quantanki		 June 30, 2	017	 December 3 <sup>4</sup>	1, 2016
		or Original Principal	Quarterly Principal Payments	Maturity Date	Amount Outstanding	Interest Rate	Amount Outstanding	Interest Rate
CorEnergy Secured Credit Facility:								
CorEnergy Revolver	\$	105,000,000	\$ _	12/15/2019	\$ _	4.23%	\$ 44,000,000	3.76%
CorEnergy Term Loan		45,000,000	1,615,000	12/15/2019	33,510,000	4.22%	36,740,000	3.74%
MoGas Revolver		3,000,000	_	12/15/2019	—	4.23%	_	3.77%
Omega Line of Credit		1,500,000	_	7/31/2017	_	5.23%	_	4.77%
Pinedale Secured Credit Facility:								
\$58.5M Term Loan – related party (1)		11,085,750	167,139	3/30/2021	7,701,316	8.08%	8,860,577	8.00%
7.00% Unsecured Convertible Senior Notes		115,000,000	_	6/15/2020	114,000,000	7.00%	114,000,000	7.00%
Total Debt					\$ 155,211,316		\$ 203,600,577	
Less:								
Unamortized deferred financing costs (2)					\$ 320,421		\$ 381,531	
Unamortized discount on 7.00% Convertible S	enior I	Notes			2,216,711		2,586,166	
Long-term debt, net of deferred financing c	osts				\$ 152,674,184		\$ 200,632,880	
Debt due within one year					\$ 7,128,556		\$ 7,128,556	

(1) \$47.4 million of the original \$58.5 million term loan is payable to CorEnergy under the same terms and eliminates in consolidation.

(2) A portion of the unamortized deferred financing costs, related to our revolving credit facilities, are included in Deferred Costs in the Assets section of the Consolidated Balance Sheets. Refer to the "Deferred Financing Costs" paragraph below.

#### CorEnergy Credit Facility

The Company maintains a credit facility with Regions Bank (as lender and administrative agent for the other participating lenders) to provide borrowing commitments of \$153.0 million, consisting of (i) a \$105.0 million revolver at the CorEnergy parent entity level (the "CorEnergy Revolver"), (ii) a \$45.0 million term loan at the CorEnergy parent entity level (the "CorEnergy Term Loan") and (iii) a \$3.0 million revolving credit facility at the MoGas subsidiary entity level (the "MoGas Revolver" and, collectively with the CorEnergy Revolver and the CorEnergy Term Loan, the "CorEnergy Credit Facility").



The CorEnergy Credit Facility has a maturity date of December 15, 2019. Borrowings under the credit facility will generally bear interest on the outstanding principal amount using a LIBOR pricing grid that is expected to equal a LIBOR rate plus an applicable margin of 2.75 percent to 3.75 percent, based on the Company's senior secured recourse leverage ratio. Total availability is subject to a borrowing base. The CorEnergy Credit Facility contains, among other restrictions, certain financial covenants including the maintenance of certain financial ratios, as well as default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods). As of June 30, 2017, the Company was in compliance with all covenants of the CorEnergy Credit Facility.

On April 18, 2017, the Company repaid the \$44.0 million in outstanding borrowings on the CorEnergy Revolver with a portion of the proceeds from a follow-on offering of its 7.375% Series A Preferred Stock, as discussed further in Note 11 ("Stockholder's Equity"). As of June 30, 2017, the Company had approximately \$98.2 million and \$3.0 million of availability under the CorEnergy Revolver and MoGas Revolver, respectively.

On July 28, 2017, the Company entered into an amendment and restatement of the CorEnergy Credit Facility with Regions Bank (as lender and administrative agent for other participating lenders). See Note 13 ("Subsequent Events") for further discussion of the amended and restated credit facility.

#### Pinedale Credit Facility

On December 20, 2012, Pinedale LP closed on a\$70.0 million secured term credit facility. Outstanding balances under the original facility generally accrued interest at a variable annual rate equal to LIBOR plus 3.25 percent. This credit facility was secured by the Pinedale LGS asset. The credit facility remained in effect until December 31, 2015, with an option to extend through December 31, 2016. Although the Company elected not to extend the facility for an additional one-year period, it did amend the facility to extend the maturity date to March 30, 2016. During the extension period, the company made principal payments of \$3.2 million and the credit facility bore interest on the outstanding principal amount at LIBOR plus 4.25 percent.

On March 4, 2016, the Company obtained a consent from its lenders under the CorEnergy Credit Facility, which permitted the Company to utilize the CorEnergy Revolving Credit Facility to refinance the Company's pro rata share of the remaining balance of the Pinedale secured term credit facility. On March 30, 2016, the Company and Prudential ("the Refinancing Lenders"), refinanced the remaining \$58.5 million principal balance of the \$70.0 million credit facility (on a pro rata basis equal to their respective equity interests in Pinedale LP, with the Company's 81.05 percent share being approximately \$47.4 million) and executed a series of agreements assigning the credit facility to CorEnergy Infrastructure Trust, Inc. as Agent for the Refinancing Lenders. The facility was further modified to extend the maturity date to March 30, 2021; to increase the LIBOR Rate to the greater of (i) 1.00 percent and (ii) the one-month LIBOR rate; and to increase the LIBOR Rate Spread to7.00 percent per annum. The Company's portion of the debt and interest is eliminated in consolidation and Prudential's portion of the debt is shown as a related-party liability. The Company also terminated one of two related interest rate swaps with a notional amount of \$26.3 million.

Pinedale LP's credit facility with the Refinancing Lenders limits distributions by Pinedale LP to the Company. Such distributions are permitted to the extent required for the Company to maintain its REIT qualification, so long as Pinedale LP's obligations under the credit facility have not been accelerated following an Event of Default (as defined in the credit facility). Pinedale LP automatically entered into a Cash Control Period (as defined in the credit facility) with the Refinancing Lenders upon the April 29, 2016 bankruptcy filing by Ultra Wyoming and its parent guarantor, Ultra Petroleum. During the Cash Control Period, the Company as Agent swept all funds for the repayment of accrued interest, scheduled principal payments and principal prepayments on the loans. Ultra Petroleum emerged from bankruptcy in April 2017, resulting in the end of the Cash Control Period and, in May 2017, Pinedale LP resumed distributions.

The Company has provided to Prudential a guarantee against certain inappropriate conduct by or on behalf of Pinedale LP or us. The credit facility also requires Pinedale LP to maintain minimum net worth levels and certain leverage ratios, which along with other provisions of the credit facility limit cash dividends and loans to the Company. At June 30, 2017, the net assets of Pinedale LP were\$146.1 million and Pinedale LP was in compliance with all of the financial covenants of the Pinedale Credit Facility.

#### **Deferred Financing Costs**

The CorEnergy Credit Facility's deferred financing costs, net, as ofJune 30, 2017 and December 31, 2016 were \$1.7 million and \$2.2 million, respectively. This portion of deferred financing costs relate to a revolving credit facility and are not presented as a reduction to long-term debt but rather as deferred costs in the assets section of the Consolidated Balance Sheets.

A summary of deferred financing cost amortization expenses for the three and six months ended June 30, 2017 and 2016 is as follows:

		For the Three Months Ended				For the Six M	Months Ended		
	Ju	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
CorEnergy Credit Facility	\$	272,074	\$	272,076	\$	544,148	\$	534,378	
Pinedale Credit Facility		—		—		—		156,330	
Total Deferred Debt Cost Amortization Expense <sup>(1)(2)</sup>	\$	272,074	\$	272,076	\$	544,148	\$	690,708	

(1) Amortization of deferred debt issuance costs is included in interest expense in the Consolidated Statements of Income.

(2) For the amount of deferred debt cost amortization relating to the Convertible Notes included in the Consolidated Statements of Income, refer to the Convertible Note Interest Expense table below.

#### **Contractual Payments**

The remaining contractual principal payments as of June 30, 2017 under the CorEnergy and Pinedale credit facilities are as follows:

Year	CorEnergy Term Loan			dale Credit Facility	Total		
2017	\$	\$ 3,230,000		\$ 334,278		3,564,278	
2018		6,460,000		668,556		7,128,556	
2019		23,820,000		668,556		24,488,556	
2020		_		668,556		668,556	
2021		_		5,361,370		5,361,370	
Thereafter		_		_		_	
Total Remaining Contractual Payments	\$	33,510,000	\$	7,701,316	\$	41,211,316	

#### **Convertible Debt**

On June 29, 2015, the Company completed a public offering of \$115.0 million aggregate principal amount of 7.00% Convertible Senior Notes Due 2020 (the "Convertible Notes"). The Convertible Notes mature on June 15, 2020 and bear interest at a rate of 7.00 percent per annum, payable semi-annually in arrears on June 15 and December 15 of each year, beginning on December 15, 2015. On May 23, 2016, the Company repurchased \$1.0 million of its convertible bonds on the open market.

The following is a summary of the impact of Convertible Notes on interest expense for thethree and six months ended June 30, 2017 and 2016

	Convertible Note Inte	erest Expense						
	For the Three Months Ended							
	J	June 30, 2017 June 30, 2016		J	June 30, 2017		June 30, 2016	
7.00% Convertible Notes	\$	1,995,000	\$	1,983,528	\$	3,990,000	\$	3,996,028
Discount Amortization		184,728		185,727		369,456		373,962
Deferred Debt Issuance Amortization		12,069		12,703		24,138		24,958
Total Convertible Note Interest Expense	\$	2,191,797	\$	2,181,958	\$	4,383,594	\$	4,394,948

The Convertible Notes were initially issued with an underwriters' discount of \$3.7 million which is being amortized over the life of the Convertible Notes. Including the impact of the convertible debt discount and related deferred debt issuance costs, the effective interest rate on the Convertible Notes is approximately 7.7 percent for each of the three and six months ended June 30, 2017 and 2016.

#### **11. STOCKHOLDER'S EQUITY**

#### PREFERRED STOCK

On April 18, 2017, the Company closed a follow-on underwritten public offering of2,800,000 depository shares, each representing 1/100th of a share of 7.375% Series A Preferred Stock, at a price of \$25.00 per depository share. On May 10, 2017, the Company sold an additional 150,000 depository shares at a public offering price of \$25.00 per depository share in connection with the underwriters' exercise of their over-allotment option to purchase additional shares. Total proceeds from the offering were approximately \$71.2 million, after deducting underwriting discounts and other offering expenses. A portion of the proceeds from the offering were utilized to repay\$44.0 million in outstanding borrowings under the CorEnergy Revolver. Following the offering,



the Company has a total of 5,200,000 depository shares outstanding. See Note 13 ("Subsequent Events") for further information regarding the declaration of a dividend on the 7.375% Series A Preferred Stock.

#### COMMON STOCK

As of June 30, 2017, the Company has 11,901,681 of common shares issued and outstanding. SeeNote 13 ("Subsequent Events") for further information regarding the declaration of a dividend on the common stock.

#### SHELF REGISTRATION

On February 18, 2016, the Company had a new shelf registration statement declared effective by the SEC, pursuant to which it may publicly offer additional debt or equity securities with an aggregate offering price of up to \$600.0 million.

As of June 30, 2017, the Company has issued 49,164 shares of common stock under the Company's dividend reinvestment plan pursuant to the February 18, 2016 shelf, reducing availability by approximately \$1.3 million. Shelf availability was further reduced by approximately \$73.8 million as a result of the follow-on offering of additional 7.375% Series A Preferred Stock during the second quarter of 2017. As ofJune 30, 2017, availability on the current shelf registration is approximately \$524.9 million.

#### **12. EARNINGS PER SHARE**

Basic earnings per share data is computed based on the weighted-average number of shares of common stock outstanding during the periods. Diluted EPS data is computed based on the weighted-average number of shares of common stock outstanding, including all potentially issuable shares of common stock. Diluted EPS for the three and six months ended June 30, 2017 and for the six months ended June 30, 2016 excludes the impact to income and the number of shares outstanding from the conversion of the7.00% Convertible Senior Notes because such impact would be antidilutive.

		For the Three Months Ended				For the Six M	Months Ended	
	Ju	une 30, 2017	June 30, 2016		J	June 30, 2017		une 30, 2016
Net income attributable to CorEnergy stockholders	\$	9,000,172	\$	8,954,527	\$	16,669,650	\$	12,345,648
Less: preferred dividend requirements		2,123,129		1,037,109		3,160,238		2,074,218
Net income attributable to common stockholders	\$	6,877,043	\$	7,917,418	\$	13,509,412	\$	10,271,430
Weighted average shares - basic		11,896,616		11,912,030		11,892,670		11,927,984
Basic earnings per share	\$	0.58	\$	0.66	\$	1.14	\$	0.86
Net income attributable to common stockholders (from above)	\$	6,877,043	\$	7,917,418	\$	13,509,412	\$	10,271,430
Add: After tax effect of convertible interest (1)		—		2,181,958		—		_
Income attributable for dilutive securities	\$	6,877,043	\$	10,099,376	\$	13,509,412	\$	10,271,430
Weighted average shares - diluted		11,896,616		15,383,892		11,892,670		11,927,984
Diluted earnings per share	\$	0.58	\$	0.66	\$	1.14	\$	0.86

(1) The interest amounts in this line include the amortization of deferred costs and the amortization of the discount on the Convertible Notes. There is no income tax effect due to the Company's REIT status.

#### **13. SUBSEQUENT EVENTS**

The Company performed an evaluation of subsequent events through the date of the issuance of these financial statements and determined that no additional items require recognition or disclosure, except for the following:

#### **Common Stock Dividend Declaration**

On August 1, 2017, the Company's Board of Directors declared the 2017 second quarter dividend of \$0.75 per share for CorEnergy common stock. The dividend is payable on August 31, 2017 to shareholders of record on August 17, 2017.

#### Preferred Stock Dividend Declaration

On August 1, 2017, the Company's Board of Directors also declared a cash dividend of \$0.4609375 per depositary share for its 7.375% Series A Preferred Stock for the quarter ending June 30, 2017. The preferred stock dividend is payable on August 31, 2017 to shareholders of record on August 17, 2017.

#### Amendment and Restatement of CorEnergy Credit Facility

On July 28, 2017, the Company entered into an amendment and restatement of the CorEnergy Credit Facility with Regions Bank (as lender and administrative agent for other participating lenders). The amended facility provides for commitments of up to \$161.0 million, comprised of (i) increased commitments on the CorEnergy Revolver of up to \$160.0 million, subject to borrowing base limitations, and (ii) a\$1.0 million commitment on the MoGas Revolver. The amended facility has a 5-year term maturing on July 28, 2022, and provides for a springing maturity on February 28, 2020, and thereafter, if the Company fails to meet certain liquidity requirements from the springing maturity date through the maturity of the Company's convertible notes on June 15, 2020.

Other terms of the amended and restated CorEnergy Credit Facility are substantially the same as the prior facility. Borrowings under the credit facility will generally bear interest on the outstanding principal amount using a LIBOR pricing grid that is expected to equal a LIBOR rate plus an applicable margin of 2.75 percent to 3.75 percent, based on the Company's senior secured recourse leverage ratio. The CorEnergy Credit Facility contains, among other restrictions, certain financial covenants including the maintenance of certain financial ratios, as well as default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods).

In connection with entering into the amended and restated facility, the Company used cash on hand and borrowings under the amended facility to repay the \$33.5 million outstanding balance on the CorEnergy Term Loan on the prior facility.

#### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Consolidated Financial Statements and Notes thereto in this Report on Form 10-Q of CorEnergy Infrastructure, Inc. ("the Company," "CorEnergy," "we" or "us"). The forward-looking statements included in this discussion and elsewhere in this Report on Form 10-Q involve risks and uncertainties, including anticipated financial performance, business prospects, industry trends, shareholder returns, performance of leases by tenants, performance on loans to customers, and other matters, which reflect management's best judgment based on factors currently known. See "Cautionary Statement Concerning Forward-Looking Statements" which is incorporated herein by reference. Actual results and experience could differ materially from the anticipated results and other expectations expressed in our forward-looking statements as a result of a number of factors, including but not limited to those discussed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 2, 2017, and Part II, Item 1A, "Risk Factors" in this Report on Form 10-Q.

#### **BUSINESS OBJECTIVE**

CorEnergy primarily owns assets in the U.S. energy sector that perform utility-like functions, such as pipelines, storage terminals, rail terminals and gas and electric transmission and distribution assets. Our objective is to provide shareholders with a stable and growing cash dividend, supported by long-term contracted revenue from operators of our assets, primarily under triple-net participating leases. These leases generate stable cash flows without direct commodity price exposure. We believe our leadership team's energy and utility expertise provides CorEnergy with a competitive advantage to acquire, own and lease U.S. energy infrastructure assets in a tax-efficient, transparent, investor-friendly REIT. We meet the capital needs of companies in the U.S. energy infrastructure sector because we are a passive, long-term partner using our management's extensive industry knowledge to customize our long-term leases and structured financings. Our leadership team also has extensive insight on the broad universe of assets that may be owned by a REIT and utilizes a disciplined investment philosophy developed through an average of over 24 years of relevant industry experience.

We expect our leases to provide us with contracted base rent, plus participating rent based upon asset-specific criteria. The energy industry commonly employs contracts with participating features, and we provide exposure to both the risk and opportunity of utilization of our assets, which we believe is a hallmark of infrastructure assets of all types. Our participating triple-net leases require the operator to pay all expenses of the business including maintaining our assets in good working order.

The majority of our assets leased to tenants under triple-net leases are dependent upon the tenants' exploitation of hydrocarbon reserves in the fields where our assets are located. These reserves are depleted over time, and therefore, may economically diminish the value of our assets over the period that the underlying reserves are exploited. Accordingly, we expect the contracted base rents under these leases, including fair market renewal rent expectations, to provide for a return on capital, as well as a return of capital, over the life of the asset. The portion of rents we believe to constitute a return of capital are utilized for debt repayment and/or are reserved for capital reinvestment activities in order to maintain our long-term earnings and dividend paying capacity. The return on capital is that portion of rents which are available for distribution to our shareholders through dividend payouts.

Base rents under our leases are structured on an estimated fair market value rent structure over the initial term, which includes assumptions related to the terminal value of our assets and expectations of tenant renewals. At the conclusion of the initial lease term, our leases generally contain fair market value repurchase options or fair market rent renewal terms. These clauses also act as safeguards against our tenants pursuing activities which would undermine or degrade the value of our assets faster than the underlying reserves are depleted. Our participating rents are structured to provide exposure to the commercial activity of the tenant, and as such, also provide protection in the event that the economic life of our assets is reduced based on accelerated production by our tenants.

Our assets are primarily mission-critical to our customers, in that utilization of our assets is necessary for the business they seek to conduct and their rental payments are an essential operating expense. For example, our crude oil gathering system assets are necessary to the exploitation of upstream crude oil reserves, so the operators' lease of those assets is economically critical to their operations. Some of our assets are subject to rate regulation by FERC or state public utility commissions. Further, energy infrastructure assets are an essential and growing component of the U.S. economy that give us the opportunity to assist the capital expansion plans and meet the capital needs of various midstream and upstream participants.

We intend to distribute substantially all of our cash available for distribution, less prudent reserves, on a quarterly basis. CorEnergy targets dividend growth of 1-3 percent annually from existing contracts through inflation escalations and participating rents and additional growth from acquisitions. Based on low inflation and current production levels, we are not anticipating significant inflation-based or participating rents in 2017. Since qualifying as a REIT in 2013, we have grown our annualized dividend from \$2.50 per share to \$3.00 per share. Our management contract includes incentive provisions, aligning our leadership team with our stockholders' interests in raising the dividend only if we believe the rate is sustainable.

#### **Recent Developments**

#### Preferred Stock Offering

On April 18, 2017, we closed a follow-on, underwritten public offering of2,800,000 depository shares, each representing 1/100th of a share of 7.375% Series A Preferred Stock at a price of \$25.00 per depository share. On May 10, 2017, we sold an additional 150,000 depository shares at a price of \$25.00 per depository share in connection with the underwriters' exercise of their over-allotment option to purchase additional shares. Proceeds from the offering were \$71.2 million, after deducting underwriting discounts and other offering expenses. Following the offering, we have a total of 5,200,000 depository shares outstanding. Approximately \$44.1 million of the proceeds from the offering were utilized to pay off the outstanding borrowings and accrued interest on the CorEnergy Revolver, creating additional availability under the CorEnergy Credit Facility.

#### Amendment and Restatement of CorEnergy Credit Facility

On July 28, 2017, we entered into an amendment and restatement of the CorEnergy Credit Facility with Regions Bank (as lender and administrative agent for other participating lenders). The amended facility provides for commitments of up to \$161.0 million, comprised of (i) increased commitments on the CorEnergy Revolver of up to \$160.0 million, subject to borrowing base limitations, and (ii) a \$1.0 million commitment on the MoGas Revolver. The amended facility has a 5-year term maturing onJuly 28, 2022, and provides for a springing maturity on February 28, 2020, and thereafter, if we fail to meet certain liquidity requirements from the springing maturity date through the maturity of our convertible notes on June 15, 2020.

In connection with entering into the amended and restated facility, we used cash on hand and borrowings under the amended facility to repay the \$33.5 million outstanding balance on the CorEnergy Term Loan on the prior facility.

#### **Basis of Presentation**

The consolidated financial statements include CorEnergy Infrastructure Trust, Inc., as ofJune 30, 2017, and its direct and indirect wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

#### **RESULTS OF OPERATIONS**

The following tables summarize the financial data and key operating statistics for CorEnergy for the three and six months ended June 30, 2017 and 2016. We believe the Operating Results detail presented below provides investors with information that will assist them in analyzing the operating performance of our leased assets, financing notes receivable, other equity securities, and operating entities. The following data should be read in conjunction with our consolidated financial statements and the notes thereto included in Part I, Item 1 of this Report. All information in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations," except for balance sheet data as of December 31, 2016, is unaudited.

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The following table and discussion is a summary of our results of operations for thethree and six months ended June 30, 2017 and 2016

		For the Three	Month	s Ended		For the Six M	Months Ended	
	J	une 30, 2017	J	une 30, 2016	J	lune 30, 2017	J	une 30, 2016
Revenue								
Lease revenue	\$	17,050,092	\$	16,996,072	\$	34,116,618	\$	33,992,144
Transportation and distribution revenue		4,775,780		5,064,680		9,786,370		10,164,131
Financing revenue		—		—		—		162,344
Total Revenue		21,825,872		22,060,752		43,902,988		44,318,619
Expenses								
Transportation and distribution expenses		1,362,980		1,378,306		2,698,550		2,740,631
General and administrative		2,558,339		2,773,240		5,619,579		6,063,092
Depreciation, amortization and ARO accretion expense		6,005,995		5,737,025		12,011,903		11,033,843
Provision for loan loss and disposition		—		369,278		_		5,014,466
Total Expenses		9,927,314		10,257,849		20,330,032		24,852,032
Operating Income	\$	11,898,558	\$	11,802,903	\$	23,572,956	\$	19,466,587
Other Income (Expense)	-						_	
Net distributions and dividend income	\$	221,440	\$	214,169	\$	264,902	\$	589,742
Net realized and unrealized gain (loss) on other equity securities		614,634		1,199,665		70,426		(429,087
Interest expense		(3,202,837)		(3,540,812)		(6,657,234)		(7,466,821
Total Other Expense	-	(2,366,763)		(2,126,978)		(6,321,906)	_	(7,306,166
Income before income taxes		9,531,795		9,675,925		17,251,050		12,160,421
Income tax expense (benefit), net		95,735		410,438		(236,871)		(844,688
Net Income		9,436,060		9,265,487		17,487,921		13,005,109
Less: Net Income attributable to non-controlling interest		435,888		310,960		818,271		659,461
Net Income attributable to CorEnergy Stockholders	\$	9,000,172	\$	8,954,527	\$	16,669,650	\$	12,345,648
Preferred dividend requirements		2,123,129		1,037,109		3,160,238		2,074,218
Net Income attributable to Common Stockholders	\$	6,877,043	\$	7,917,418	\$	13,509,412	\$	10,271,430
Other Financial Data (1)								
Adjusted EBITDA	\$	16,976,703	\$	17,161,582	\$	33,915,240	\$	34,082,479
NAREIT FFO		12,287,971		13,045,630		24,331,181		20,077,940
FFO		12,014,732		12,380,700		24,586,094		20,450,286
AFFO		12,499,249		13,320,271		25,814,607		26,103,704

(1) Refer to the "Non-GAAP Financial Measures" section that follows for additional details.

#### Three Months Ended June 30, 2017 Compared to the Three Months Ended June 30, 2016

*Revenue.* Consolidated revenues were \$21.8 million for the three months ended June 30, 2017 compared to \$22.1 million for the three months ended June 30, 2016, representing a decrease of \$235 thousand. Lease revenue was \$17.0 million for each of the three months ended June 30, 2017 and 2016 with the slight increase of approximately \$54 thousand driven by the annual CPI escalations pursuant to the Pinedale Lease Agreement. Transportation and distribution revenue from our subsidiaries MoGas and Omega was \$4.8 million and \$5.1 million for the three months ended June 30, 2017 and 2016, respectively. The \$289 thousand decrease primarily resulted from the timing of projects performed by Omega for Fort Leonard Wood.

*General and Administrative Expenses.* General and administrative expenses were \$2.6 million for the three months ended June 30, 2017 compared to \$2.8 million for the three months ended June 30, 2016. The most significant components of the variance from the prior-year period are outlined in the following table and explained below:

		For the Three Months Ended						
	Ju	ne 30, 2017		June 30, 2016				
Management fees	\$	1,812,688	\$	1,618,530				
Acquisition and professional fees		467,391		644,628				
Other expenses		278,260		510,082				
Total	\$	2,558,339	\$	2,773,240				

Management fees are directly proportional to our asset base. For thethree months ended June 30, 2017, management fees increased \$194 thousand compared to the prior-year period due primarily to (i) the incentive fee for the second quarter 2016 being recorded in the third quarter 2016 and (ii) certain fluctuations in the asset base. See Part I, Item 1, Note 8 ("Management Agreement") for additional information.

Acquisition and professional fees for the three months ended June 30, 2017 decreased \$177 thousand from the prior-year period. An increase of \$210 thousand in acquisition expenses was more than offset by a \$387 thousand decrease in professional fees.

Generally, we expect asset acquisition expenses to be repaid over time from income generated by acquisitions. However, any particular period may reflect significant expenses arising from third party legal, engineering, and consulting fees that are incurred in the early to mid-stages of due diligence. Due to the uncertainty in the energy industry and the number of energy companies going through the bankruptcy process in 2016, the Company experienced lower asset acquisition costs. The increase in acquisition expenses for the three months ended June 30, 2017 was the result of increased focus on potential acquisition opportunities in the current-year period.

The decrease in professional fees during the three months ended June 30, 2017 is primarily attributable to (i) reimbursement of legal fees received in the current-year period for costs incurred during UPL's bankruptcy as well as (ii) lower legal fees compared to the prior-year period due to fees incurred related to the assignment and modification of the Pinedale Credit Facility.

Other expenses for the three months ended June 30, 2017 decreased \$232 thousand compared to the prior-year period. The decrease is primarily related to (i) a non-cash gain recorded on a settlement of accounts payable in the current-year period and (ii) higher expenses at Black Bison in the prior-year period due to the foreclosure and sale activities.

Depreciation, Amortization and ARO Accretion Expense. Depreciation, amortization and ARO accretion expense was \$6.0 million for the three months ended June 30, 2017 compared to \$5.7 million for the three months ended June 30, 2016. This increase was primarily related to depreciation expense, whichincreased \$283 thousand from the three months ended June 30, 2016. The change in depreciation expense was driven by a reduction in the useful life of GIGS property to 26.5 years at the end of 2016.

Provision for loan loss and disposition. For the three months ended June 30, 2016, we recorded a provision for loan losses of approximately\$369 thousand. There were no loan loss provisions recorded in the second quarter of 2017. For additional information, see Part I, Item 1, Note 4 ("Financing Notes Receivable").

*Net Distributions and Dividend Income.* Net distributions and dividend income for the three months ended June 30, 2017 was \$221 thousand compared to \$214 thousand for the three months ended June 30, 2016. The portion of distributions and dividends deemed to be income versus a return of capital in any period are made at the time such distributions are received. These estimates may be subsequently revised based on information received from the portfolio company after their tax reporting periods are concluded. The following table provides a reconciliation of the gross cash distributions and dividend income received from our investment securities during the three months ended June 30, 2017 and 2016 to the net distributions and dividends recorded as income on the Consolidated Statements of Income.

	For the Three Months Ended					
	June 30, 2017			June 30, 2016		
Gross cash distributions and dividend income received from investment securities	\$	252,213	\$	215,139		
Add:						
Cash distributions received in prior period previously deemed a return of capital (dividend income) which have been reclassified as income (return of capital) in a subsequent period		_		_		
Less:						
Cash distributions and dividends received in current period deemed a return of capital and not recorded as income (recorded as a cost reduction) in the current period		30,773		970		
Net distributions and dividends recorded as income	\$	221,440	\$	214,169		

*Net Realized and Unrealized Gain on Other Equity Securities.* For the three months ended June 30, 2017, net realized gain on other equity securities of \$615 thousand decreased \$585 thousand compared to the \$1.2 million gain recorded the same period in2016. The decrease in the current year gain was primarily due to fluctuations in the valuation of Lightfoot, which is dependent on the public share price of ARCX. During the first quarter of 2016, WTI oil and natural gas prices bottomed and ARCX share prices declined \$3.04 or 23.0 percent, but recovered \$2.77 or 27.1 percent during the second quarter of 2016 causing the larger gain in the prior-year period.

Interest Expense. For the three months ended June 30, 2017 and 2016, interest expense totaled approximately \$3.2 million and \$3.5 million, respectively. This decrease was attributable to the payment of outstanding borrowings on the CorEnergy Revolver during the second quarter 2017, which resulted in a \$291 thousand reduction in interest expense.

*Income Tax Expense.* Income tax expense was \$96 thousand for the three months ended June 30, 2017 compared to \$410 thousand for the three months ended June 30, 2016, representing a decrease of \$315 thousand. The decrease was primarily attributable to lower taxable income at our TRS entities, largely driven by lower unrealized gains on our investment in Lightfoot in the current year period.

*Net Income*. Net income was \$9.4 million and \$9.3 million for the three months ended June 30, 2017 and 2016, respectively. For each of the three months ended June 30, 2017 and 2016, net income attributable to CorEnergy stockholders was \$9.0 million. After deducting \$2.1 million and \$1.0 million for the portion of preferred dividends that are allocable to each respective period, net income attributable to common stockholders for the three months ended June 30, 2017 was \$6.9 million, or \$0.58 per basic and diluted common share as compared to \$7.9 million, or \$0.66 per basic and diluted common share, for the prior-year period.

#### Six Months Ended June 30, 2017 Compared to the Six Months Ended June 30, 2016

*Revenue.* Consolidated revenues were \$43.9 million for the six months ended June 30, 2017 compared to \$44.3 million for the six months ended June 30, 2016, representing a decrease of \$416 thousand. Lease revenue was \$34.1 million and \$34.0 million for the six months ended June 30, 2017 and 2016, respectively, resulting in an increase of \$124 thousand. This increase in lease revenue was driven by annual CPI escalations pursuant to the Pinedale Lease Agreement. Transportation and distribution revenue from our subsidiaries MoGas and Omega was \$9.8 million and \$10.2 million for the six months ended June 30, 2017 and 2016, respectively. The \$378 thousand decrease primarily resulted from one month of natural gas revenues at Omega being presented on a gross basis in the prior-year period, prior to a new contract with the Department of Defense, which was effective February 1, 2016, whereby natural gas revenues and related costs are presented on a net basis.

General and Administrative Expenses. General and administrative expenses were \$5.6 million for the six months ended June 30, 2017 compared to \$6.1 million for the six months ended June 30, 2016. The most significant components of the variance from the prior-year period are outlined in the following table and explained below:

		For the Six Months Ended						
	Ju	ne 30, 2017	June 30, 2016					
Management fees	\$	3,630,481	\$	3,456,696				
Acquisition and professional fees		1,411,505		1,531,649				
Other expenses		577,593		1,074,747				
Total	\$	\$ 5,619,579 \$						

Management fees are directly proportional to our asset base. For thesix months ended June 30, 2017, management fees increased \$174 thousand compared to the prior-year period due primarily to (i) the incentive fee for the second quarter 2016 being recorded in the third quarter 2016 and (ii) certain fluctuations in the asset base. See Part I, Item 1, Note 8 ("Management Agreement") for additional information.

Acquisition and professional fees for the six months ended June 30, 2017 decreased \$120 thousand from the prior-year period. An increase of \$432 thousand in acquisition expenses was more than offset by a \$552 thousand decrease in professional fees. Due to the uncertainty in the energy industry and the number of energy companies going through the bankruptcy process in 2016, the Company experienced lower asset acquisitions costs. During the six months ended June 30, 2017, asset acquisition expenses increased primarily due to increased focus on potential acquisition opportunities.

For the six months ended June 30, 2017, the decrease in professional fees is primarily attributable to the reimbursement of legal fees received in the current-year period for costs incurred during UPL's bankruptcy. Other factors that caused the decrease include increased costs in the prior-year period related to (i) monitoring of our assets at Pinedale and GIGS during their respective bankruptcies; (ii) the Black Bison foreclosure and sale activities and (iii) expenses associated with the January 2016 Form S-3 Registration Statement.

Other expenses for the six months ended June 30, 2017 decreased \$497 thousand compared to the prior-year period. The decrease is primarily related to (i) a non-cash gain recorded on settlement of accounts payable in the current-year period and (ii) higher expenses at Black Bison due to the foreclosure and sale activities in the prior-year period.

Depreciation, Amortization and ARO Accretion Expense. Depreciation, amortization and ARO accretion expense was \$12.0 million for the six months ended June 30, 2017 compared to \$11.0 million for the six months ended June 30, 2016. This increase was primarily related to depreciation expense, which increased \$1.0 million from the six months ended June 30, 2017 to the six months



ended June 30, 2016. The change in depreciation expense was driven by (i) a reduction in the useful life of GIGS property to 26.5 years at the end of 2016 (\$570 thousand) and (ii) a \$433 thousand adjustment recorded in the prior-year period which reduced depreciation expense.

*Provision for loan loss and disposition.* For the six months ended June 30, 2016, we recorded a provision for loan losses of approximately\$5.0 million. The prior-year provision for loan losses related primarily to a write-down of \$3.5 million on the SWD loans, with additional provisions recorded related to the Black Bison financing notes. There were no loan loss provisions recorded for the six months ended June 30, 2017. For additional information, see Part I, Item 1, Note 4 ("Financing Notes Receivable").

*Net Distributions and Dividend Income.* Net distributions and dividend income for thesix months ended June 30, 2017 decreased \$325 thousand from the six months ended June 30, 2016. The decrease was primarily the result of adjustments recorded in the first quarter of each year upon the receipt of the annual K-1s, which depict our share of income and losses from the investment in the security. The portion of distributions and dividends deemed to be income versus a return of capital in any period are made at the time such distributions are received. These estimates may be subsequently revised based on information received from the portfolio company after their tax reporting periods are concluded. The following table provides a reconciliation of the gross cash distributions and dividend income received from our investment securities during the six months ended June 30, 2017 and 2016 to the net distributions and dividends recorded as income on the Consolidated Statements of Income.

	For the Six Months Ended					
	Ju	ne 30, 2017	J	une 30, 2016		
Gross cash distributions and dividend income received from investment securities	\$	475,379	\$	474,873		
Add:						
Cash distributions received in prior period previously deemed a return of capital (dividend income) which have been reclassified as income (return of capital) in a subsequent period		(148,649)		117,004		
Less:						
Cash distributions and dividends received in current period deemed a return of capital and not recorded as income (recorded as a cost reduction) in the current period		61,828		2,135		
Net distributions and dividends recorded as income	\$	264,902	\$	589,742		

*Net Realized and Unrealized Gain (Loss) on Other Equity Securities.* For the six months ended June 30, 2017, the Company recorded a net realized gain on other equity securities of \$70 thousand, as compared to a net realized loss of \$429 thousand in the prior-year period. The change is primarily due to prior-year period fluctuations in the valuation of Lightfoot, which is dependent on the public share price of ARCX. ARCX share price at June 30, 2016 was \$13.00/share, a decrease of \$0.27/share from December 31, 2015.

*Interest Expense.* For the six months ended June 30, 2017 and 2016, interest expense totaled approximately \$6.7 million and \$7.5 million, respectively. This decrease was primarily attributable to the Company internally refinancing its pro rata share of the Pinedale Credit Facility on March 30, 2016, which resulted in a reduction of the outstanding debt balance with third parties.

*Income Tax Benefit.* Income tax benefit was \$237 thousand for the six months ended June 30, 2017 compared to \$845 thousand for the six months ended June 30, 2016, representing a decrease of \$608 thousand. The higher benefit in the prior year was primarily attributable to (i) unrealized losses related to our investment in Lightfoot and (ii) the loan loss provisions recorded in the prior-year period.

*Net Income*. Net income was \$17.5 million and \$13.0 million for the six months ended June 30, 2017 and 2016, respectively. For the six months ended June 30, 2017 and 2016, net income attributable to CorEnergy stockholders was \$16.7 million and \$12.3 million, respectively. After deducting \$3.2 million and \$2.1 million for the portion of preferred dividends that are allocable to each respective period, net income attributable to common stockholders for the six months ended June 30, 2017 was \$13.5 million, or \$1.14 per basic and diluted common share compared to \$10.3 million, or \$0.86 per basic and diluted common share for the prior-year period.

#### Common Equity Attributable to CorEnergy Shareholders per Share

As of June 30, 2017, our common equity decreased by approximately \$6.6 million to\$343.6 million from \$350.2 million as of December 31, 2016. This decrease principally consists of: (i) dividends paid to our shareholders of approximately \$21.2 million, (ii) \$2.6 million of offering costs related to the issuance of 7.375% Series A Preferred Stock, offset by (iii) net income attributable to CorEnergy common stockholders of approximately \$16.7 million; and (iv) \$547 thousand of dividends issued under the DRIP or director's compensation plans. The following book value per common share table does not reflect non-controlling interest equity.

Book Value Per Common Share		
Analysis of Equity	June 30, 2017	December 31, 2016
Series A Cumulative Redeemable Preferred Stock 7.375%, \$130,000,000 and \$56,250,000 liquidation preference (\$2,500 per share, \$0.001 par value), 10,000,000 authorized; 52,000 and 22,500 issued and outstanding at June 30, 2017 and December 31, 2016, respectively	\$ 130,000,000	\$ 56,250,000
Capital stock, non-convertible, \$0.001 par value; 11,901,681 and 11,886,216 shares issued and outstanding at June 30, 2017 and December 31, 2016 (100,000,000 shares authorized)	11,902	11,886
Additional paid-in capital	343,585,389	350,217,746
Accumulated other comprehensive loss	(5,218)	(11,196)
Total CorEnergy Stockholders' Equity	\$ 473,592,073	\$ 406,468,436
Subtract: 7.375% Series A Preferred Stock	(130,000,000)	(56,250,000)
Total CorEnergy Common Equity	\$ 343,592,073	\$ 350,218,436
Common shares outstanding	 11,901,681	 11,886,216
Book Value per Common Share	\$ 28.87	\$ 29.46

#### NON-GAAP FINANCIAL MEASURES

We use certain financial measures that are not recognized under GAAP. The non-GAAP financial measures used in this Report include earnings before interest, taxes, depreciation and amortization as adjusted in the manner described below ("Adjusted EBITDA"); National Association of Real Estate Investment Trusts funds from operations ("NAREIT FFO"); funds from operations adjusted for securities investments ("FFO"); and FFO as further adjusted in the manner described below ("AFFO"). These supplemental measures are used by our management team and are presented because we believe they help investors understand our business, performance and ability to earn and distribute cash to our stockholders by providing perspectives not immediately apparent from net income. The presentation of Adjusted EBITDA, NAREIT FFO, FFO and AFFO are not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

We offer these measures to assist the users of our financial statements in assessing our operating performance under U.S. GAAP, but these measures are non-GAAP measures and should not be considered measures of liquidity, alternatives to net income or indicators of any other performance measure determined in accordance with GAAP, nor are they indicative of funds available to fund our cash needs, including capital expenditures (if any), to make payments on our indebtedness or to make distributions. Our method of calculating these measures may be different from methods used by other companies and, accordingly, may not be comparable to similar measures as calculated by other companies. Investors should not rely on these measures as a substitute for any GAAP measure, including net income, cash flows from operating activities or revenues.

#### Adjusted EBITDA

Adjusted EBITDA is a non-GAAP financial measure that management and external users of our consolidated financial statements, such as industry analysts, investors and lenders may use to evaluate our ongoing operating results, including (i) the performance of our assets without regard to the impact of financing methods, capital structure or historical cost basis of our assets and (ii) the overall rates of return on alternative investment opportunities. We believe that the presentation of Adjusted EBITDA provides useful information to investors in assessing our financial condition and results of operations. Our presentation of Adjusted EBITDA represents income attributable to common stockholders adjusted for net realized and unrealized (gain) loss on securities, non-cash; depreciation, amortization and ARO accretion; interest expense, net; provision for loan losses; and preferred dividend requirements, less distributions and dividends received in prior period previously deemed a return of capital (recorded as a cost reduction) and reclassified as income in a subsequent period; non-cash settlement of accounts payable; non-controlling interest attributable to depreciation, amortization and interest expense; and income tax (expense) benefit. Adjusted EBITDA presented by other companies may not be comparable to our presentation, since each company may define these terms differently.

Adjusted EBITDA should not be considered a measure of liquidity and should not be considered as an alternative to operating income, net income or other indicators of performance determined in accordance with GAAP.

The following table presents a reconciliation of Income Attributable to Common Stockholders, as reported in the Consolidated Statements of Income and Comprehensive Income to Adjusted EBITDA:

		For the Three Months Ended			For the Six M	Months Ended		
	J	une 30, 2017	J	June 30, 2016	June 30, 2017	June 30, 2016		
Income Attributable to Common Stockholders	\$	6,877,043	\$	7,917,418	\$ 13,509,412	\$	10,271,430	
Add:								
Net realized and unrealized (gain) loss on securities, noncash portion		(583,861)		(1,198,695)	(8,597)		431,222	
Depreciation, amortization, and ARO accretion		6,005,995		5,737,025	12,011,903		11,033,843	
Interest expense, net		3,202,837		3,540,812	6,657,234		7,466,821	
Provision for loan losses		_		369,278	_		5,014,466	
Preferred dividend requirements		2,123,129		1,037,109	3,160,238		2,074,218	
Less:								
Distributions and dividends received in prior period previously deemed a return of capital (recorded as a cost reduction) and reclassified as income in a subsequent period <sup>(1)</sup>		_		_	(148,649)		117,004	
Non-cash settlement of accounts payable		171,609		_	171,609		_	
Non-controlling interest attributable to depreciation, amortization, and interest expense <sup>(2)</sup>		572,566		651,803	1,155,119		1,247,829	
Income tax (expense) benefit		(95,735)		(410,438)	236,871		844,688	
Adjusted EBITDA	\$	16,976,703	\$	17,161,582	\$ 33,915,240	\$	34,082,479	

(1) We characterize distributions received from private investments estimated based on prior year activity. After receiving the K-1s, which depict our share of income and losses from the investment in the security, previously unrealized gains can be reclassified as dividend income.

(2) ARO accretion expense has no impact on non-controlling interest.

#### NAREIT FFO

FFO is a widely used measure of the operating performance of real estate companies that supplements net income determined in accordance with GAAP. As defined by the National Association of Real Estate Investment Trusts, NAREIT FFO represents net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, impairment losses of depreciable properties, real estate-related depreciation and amortization (excluding amortization of deferred financing costs or loan origination costs) and after adjustments for unconsolidated partnerships and non-controlling interests. Adjustments for non-controlling interests are calculated on the same basis. We define FFO attributable to common stockholders as defined above by NAREIT less dividends on preferred stock. Our method of calculating FFO attributable to common shareholders may differ from methods used by other REITs and, as such, may not be comparable.

#### FFO ADJUSTED FOR SECURITIES INVESTMENTS (FFO)

Due to the legacy investments that we hold, we have also historically presented a measure of FFO, to which we refer herein as FFO Adjusted for Securities Investments which is derived by further adjusting NAREIT FFO for distributions received from investment securities, income tax expense (benefit) from investment securities, net distributions and dividend income and net realized and unrealized gain or loss on other equity securities.

We present NAREIT FFO and FFO Adjusted for Securities Investments because we consider it an important supplemental measure of our operating performance and believe that it is frequently used by securities analysts, investors, and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is a key measure we use in assessing performance and in making resource allocation decisions.

Both NAREIT FFO and FFO Adjusted for Securities Investments are intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions, and that may also be the case with certain of the energy infrastructure assets in which we invest. NAREIT FFO and FFO Adjusted for Securities Investments exclude depreciation and amortization unique to real estate and gains and losses from property dispositions and extraordinary items. As such, these performance measures provide a perspective not immediately apparent from net income when compared to prior-year periods. These metrics reflect the impact to operations from trends in base and participating rents, company operating costs, development activities, and interest costs.

We calculate NAREIT FFO in accordance with standards established by the Board of Governors of the National Association of Real Estate Investment Trusts in its March 1995 White Paper (as amended in November 1999 and April 2002) and FFO Adjusted for Securities Investment as NAREIT FFO with additional adjustments described above due to our legacy investments. This may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly may not be comparable to such other REITs. NAREIT FFO and FFO Adjusted for Securities Investments do not represent amounts available for management's discretionary use because of needed capital for replacement or expansion, debt service obligations, or other commitments and uncertainties. NAREIT FFO and FFO Adjusted for Securities Investments, as we have historically reported, should not be considered as an alternative to net income (computed in accordance with GAAP), as an indicator of our financial performance, or to cash flow from operating activities (computed in accordance with GAAP), as an indicator of funds available for our cash needs, including our ability to make distributions or to service our indebtedness.

#### AFFO

Management uses AFFO as a measure of long-term sustainable operational performance. AFFO in excess of dividends is used for debt repayment, capital reinvestment activities, funding our ARO liability, or other commitments and uncertainties which are necessary to sustain our dividend over the long term. Based on our current asset base, we target a ratio of AFFO to dividends of 1.5 times. We believe that this level of coverage provides a prudent reserve level to achieve dividend stability and growth over the long-term. AFFO should not be considered as an alternative to net income (computed in accordance with GAAP), as an indicator of our financial performance, or as an alternative to cash flow from operating activities (computed in accordance with GAAP), as an indicator of funds available for our cash needs, including our ability to make distributions or service our indebtedness.

For completeness, the following table sets forth a reconciliation of our net income as determined in accordance with GAAP and our calculations of NAREIT FFO, FFO Adjusted for Securities Investments, and AFFO for the three and six months ended June 30, 2017 and 2016 AFFO is a supplemental, non-GAAP financial measure which we define as FFO Adjusted for Securities Investment plus provision for loan losses, net of tax, transaction costs, amortization of debt issuance costs, amortization of deferred lease costs, accretion of asset retirement obligation, income tax expense (benefit) unrelated to securities investments, noncash costs associated with derivative instruments, and certain costs of a nonrecurring nature, less maintenance, capital expenditures (if any), amortization of debt premium, and other adjustments as deemed appropriate by Management. Also presented is information regarding the weighted-average number of shares of our common stock outstanding used for the computation of per share data:

NAREIT FFO, FFO Adjusted for Securities Investment, and AFFO Reconciliation
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	For the Three Months Ended For the Six N			Months Ended				
	June 30, 2017		June 30, 2016		June 30, 2017		June 30, 2016	
Net Income attributable to CorEnergy Stockholders	\$	9,000,172	\$	8,954,527	\$	16,669,650	\$	12,345,648
Less:								
Preferred Dividend Requirements		2,123,129		1,037,109		3,160,238		2,074,218
Net Income attributable to Common Stockholders	\$	6,877,043	\$	7,917,418	\$	13,509,412	\$	10,271,430
Add:								
Depreciation		5,822,383		5,539,667		11,644,679		10,629,420
Less:								
Non-Controlling Interest attributable to NAREIT FFO reconciling items		411,455		411,455		822,910		822,910
NAREIT funds from operations (NAREIT FFO)	\$	12,287,971	\$	13,045,630	\$	24,331,181	\$	20,077,940
Add:								
Distributions received from investment securities		252,213		215,139		475,379		474,873
Income tax expense from investment securities		310,622		533,765		114,862		58,128
Less:								
Net distributions and dividend income		221,440		214,169		264,902		589,742
Net realized and unrealized gain (loss) on other equity securities		614,634		1,199,665		70,426		(429,087)
Funds from operations adjusted for securities investments (FFO)	\$	12,014,732	\$	12,380,700	\$	24,586,094	\$	20,450,286
Add:								
Provision for loan losses, net of tax		_		369,278		—		4,409,359
Transaction costs		211,269		1,000		470,051		37,915
Amortization of debt issuance costs		468,871		470,506		937,742		1,087,603
Amortization of deferred lease costs		22,983		22,983		45,966		45,966
Accretion of asset retirement obligation		160,629		174,375		321,258		358,457
Unrealized (gain) loss associated with derivative instruments		10,619		33,820		(16,453)		57,695
Less:								
Non-cash settlement of accounts payable		171,609		_		171,609		_
Income tax benefit		214,887		123,327		351,733		297,709
Non-Controlling Interest attributable to AFFO reconciling items		3,358		9,064		6,709		45,868
Adjusted funds from operations (AFFO)	\$	12,499,249	\$	13,320,271	\$	25,814,607	\$	26,103,704
Weighted Augusta Character Constants Charle Outstanding								
Weighted Average Shares of Common Stock Outstanding:		11 000 010		11.010.000		44 000 070		44.007.004
Basic		11,896,616		11,912,030		11,892,670		11,927,984
Diluted		15,351,161		15,383,892		15,347,215		15,406,339
NAREIT FFO attributable to Common Stockholders								
Basic	\$	1.03	\$	1.10	\$	2.05	\$	1.68
Diluted <sup>(1)</sup>	\$	0.94	\$	0.99	\$	1.87	\$	1.59
FFO attributable to Common Stockholders								
Basic	\$	1.01	\$	1.04	\$	2.07	\$	1.71
Diluted <sup>(1)</sup>	\$	0.93	\$	0.95	\$	1.89	\$	1.61
AFFO attributable to Common Stockholders								
Basic	\$	1.05	\$	1.12	\$	2.17	\$	2.19
Diluted <sup>(2)</sup>	\$	0.94	\$	0.99	\$	1.94	\$	1.95
	Ŷ	0.04	Ŷ	0.00	Ŷ	1.04	÷	1.00

(1) Diluted per share calculations include dilutive adjustments for convertible note interest expense, discount amortization and deferred debt issuance amortization. Refer to the Convertible Note Interest Expense table in Note 10 ("Debt") for additional details.

(2) Diluted per share calculations include a dilutive adjustment for convertible note interest expense. Refer to the Convertible Note Interest Expense table in Note 10 ("Debt") for additional details.

#### SEASONALITY

Our operating companies, MoGas and Omega, have stable revenues throughout the year and will complete necessary pipeline maintenance during the "non-heating" season, or quarters two and three. Therefore, operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year.

#### ASSET PORTFOLIO AND RELATED DEVELOPMENTS

For detailed descriptions of our asset portfolio and related operations, other than our remaining private equity securities as offune 30, 2017, please refer to Part I, Item 2 - "Properties" in our Annual Report on Form 10-K for the year ended December 31,

2016, and to Part I, Item 1, Note 3 ("Leased Properties And Leases") and Note 4 ("Financing Notes Receivable") included in this Report. This section provides additional information concerning material developments related to our asset portfolio that occurred during the period ended June 30, 2017.

#### Grand Isle Gathering System

Following its emergence from Chapter 11 Bankruptcy on December 30, 2016, EXXI announced the findings of its third-party independent reserve report, as well as its current development plan which is focused on the West Delta area. The company has also announced the implementation of additional strategic initiatives to lower its overhead costs and better align its operations with the current commodity environment and its production profile.

#### Pinedale LGS

UPL announced on April 12, 2017 its successful emergence from Chapter 11 bankruptcy. In support of its plan of reorganization, UPL raised \$2.98 billion in exit financing. On April 13, 2017, Ultra Petroleum commenced trading on the NASDAQ Global Select Market under the symbol "UPL". The company also released a revised drilling and completion outlook for 2017 and 2018 and has begun entering into hedging positions.

#### MoGas Pipeline

Effective March 1, 2017, MoGas entered into a long-term firm transportation services agreement with Laclede, its largest customer. The agreement, which amends a prior agreement, extends the termination date for Laclede's existing firm transportation agreement from October 31, 2017 to October 31, 2030. During the entire extended term, Laclede will continue to reserve 62,800 dekatherms per day of firm transportation capacity on MoGas. This service will continue at the full tariff rate of \$12.385 per dekatherm per month until October 31, 2018, at which time the rate will be reduced to \$6.386 per dekatherm per month for the remainder of the agreement.

On April 1, 2017, MoGas Pipeline LLC commenced a non-binding open season to solicit interest in firm transportation contracts on a possible expansion project on its pipeline. Following the conclusion of its open season on June 30, 2017, MoGas Pipeline does not expect any immediate incremental revenue to result from the initiative, but MoGas continues to explore means to offset the decline in revenue from the amended Laclede contract. Such opportunities may include shippers transporting gas across MoGas to strike on Rockies, Mid-continent, Eastern and Gulf Coast basin basis differentials given its strategic location and numerous pipeline interconnects, new end-user customers, new cogeneration customers and increased capacity from existing shippers. In addition, MoGas has the right to request from FERC adjustments to its rates to mitigate the effect of higher operating costs or lost revenues by filing such a request any time MoGas deems necessary and appropriate.

#### Private Security Assets

#### Lightfoot

As of June 30, 2017, our investment in Lightfoot represented approximately 1.4 percent of our total assets. The fair value of Lightfoot atJune 30, 2017 was \$9.1 million, as compared to the fair value at December 31, 2016 of \$9.3 million, representing a decrease of approximately \$140 thousand, or 1.5 percent. The decrease was primarily due to distributions received, partially offset by unrealized gains associated with an increase in the share price of ARCX.

During the three and six months ended June 30, 2017, we received distributions of \$217 thousand and \$436 thousand, respectively, and expect these distributions to be funded primarily by Lightfoot's distributions from Arc Logistics and Gulf LNG. However, both the ability of Arc Logistics and Gulf LNG to make quarterly distributions and the amount of such distributions will be dependent on Arc Logistics' and Gulf LNG's business results, and neither Arc Logistics, Gulf LNG, nor Lightfoot is under any obligation to make such distributions. On March 1, 2016, an affiliate of Gulf LNG received a Notice of Disagreement and Disputed Statements and a Notice of Arbitration from Eni USA Gas Marketing L.L.C ("Eni USA"), one of the two companies that had entered into a terminal use agreement for capacity of the liquefied natural gas facility owned by Gulf LNG and its subsidiaries. Should Eni USA terminate its agreement with Gulf LNG, this could materially impact Arc Logistics and Gulf LNG's ability to fund their distributions to us. Accordingly, there can be no assurance that our expectations concerning 2017 distributions from Lightfoot will be realized.

#### FEDERAL AND STATE INCOME TAXATION

In 2013 we qualified, and in March 2014 elected (effective as of January 1, 2013), to be treated as a REIT for federal income tax purposes (which we refer to as the "REIT Election"). Because certain of our assets may not produce REIT-qualifying income or be treated as interests in real property, those assets are held in wholly-owned TRSs in order to limit the potential that such assets and income could prevent us from qualifying as a REIT.

For the years ended in 2012 and before, the distributions we made to our stockholders from our earnings and profits were treated as qualified dividend income ("QDI") and return of capital. QDI is taxed to our individual shareholders at the maximum rate for long-term capital gains, which through tax year 2012 was 15 percent and beginning in tax year 2013 is 20 percent. We elected to be taxed as a REIT for 2013 and subsequent years rather than a C corporation and generally will not pay federal income tax on taxable income of the REIT that is distributed to our stockholders. As a REIT, our distributions from earnings and profits will be treated as ordinary income and a return of capital, and generally will not qualify as QDI. To the extent that the REIT had accumulated C corporation earnings and profits from the periods prior to 2013, we distributed such earnings and profits in 2013. A portion of our normal distributions in 2013 have been characterized for federal income tax purposes as a distribution of those earnings and profits from our TRSs, or the REIT received distributions of C corporation earnings and profits, such portion of our distribution will be treated as QDI.

As a REIT, we hold and operate certain of our assets through one or more wholly-owned TRSs. Our use of TRSs enables us to continue to engage in certain businesses while complying with REIT qualification requirements and also allows us to retain income generated by these businesses for reinvestment without the requirement of distributing those earnings. In the future, we may elect to reorganize and transfer certain assets or operations from our TRSs to us or other subsidiaries, including qualified REIT subsidiaries.

Our equity securities are limited partnerships or limited liability companies which are treated as partnerships for federal and state income tax purposes. As a limited partner, we report our allocable share of taxable income in computing our taxable income. To the extent held by a TRS, the TRS's tax expense or benefit is included in the Consolidated Statements of Income based on the component of income or gains and losses to which such expense or benefit relates. Deferred income tax purposes. A valuation allowance is recognized if, based on the weight of available evidence, it is more likely than not that some portion or all of the deferred income tax asset will not be realized.

If we cease to qualify as a REIT, we, as a C corporation, would be obligated to pay federal and state income tax on our taxable income. Currently, the highest regular marginal federal income tax rate for a corporation is 35 percent. We may be subject to a 20 percent federal alternative minimum tax on our federal alternative minimum taxable income to the extent that our alternative minimum tax exceeds our regular federal income tax.

#### LIQUIDITY AND CAPITAL RESOURCES

#### Overview

At June 30, 2017, we had liquidity of approximately \$135.4 million comprised of cash of \$37.3 million plus revolver availability of \$98.2 million. During the second quarter of 2017, our liquidity was enhanced through closing a follow-on offering of our Series A Preferred Stock and the underwriters' exercise of their over-allotment option, respectively, which together generated proceeds of approximately \$71.2 million after deducting underwriter discounts and other offering expenses. Approximately \$44.1 million of the proceeds from the offering were utilized to pay off the outstanding borrowings and accrued interest on the CorEnergy Revolver.

Subsequent to quarter end, our liquidity was further enhanced through the amendment and restatement of our CorEnergy Credit Facility onJuly 28, 2017. Commitments on the CorEnergy Revolver were increased from \$105.0 million to \$160.0 million under the new facility, subject to borrowing base limitations. In connection with entering into the new facility, we utilized cash on hand and revolver borrowings of \$10.0 million to repay the balance outstanding on the CorEnergy Term Loan. See further discussion of the amended and restated facility below under "Revolving and Term Credit Facilities - CorEnergy Credit Facility". As of July 31, 2017, we had liquidity of approximately \$146.7 million, comprised of cash of \$15.2 million and revolver availability under the amended and restated facility of \$131.5 million.

We use cash flows generated from our operations to fund current obligations, projected working capital requirements, debt service payments and dividend payments. Management expects that future operating cash flows, along with access to financial markets, will be sufficient to meet future operating requirements and acquisition opportunities. If our ability to access the capital markets is restricted or if debt or equity capital were unavailable on favorable terms, or at all, our ability to fund acquisition opportunities or to comply with the REIT distribution rules could be adversely affected.

There are acquisition opportunities that are in preliminary stages of review, and consummation of any of these opportunities depends on a number of factors beyond our control. There can be no assurance that any of these acquisition opportunities will result in consummated transactions. As part of our disciplined investment philosophy, we plan to use a moderate level of leverage, approximately 25 percent to 50 percent of assets, supplemented with accretive equity issuance as needed, subject to current market conditions. We may invest in assets subject to greater leverage which could be both recourse and non-recourse to us.

#### Cash Flows - Operating, Investing, and Financing Activities

The following table presents our consolidated cash flows for the periods indicated below:

	 For the Six Months Ended				
	June 30, 2017 June 30, 2				
	(Unaudited)				
Net cash provided by (used in):					
Operating activities	\$ 27,791,774	\$	26,014,590		
Investing activities	48,083		296,289		
Financing activities	1,545,748		(32,813,502)		
Net increase (decrease) in cash and cash equivalents	\$ 29,385,605	\$	(6,502,623)		

#### Cash Flows from Operating Activities

Net cash flows provided by operating activities for thesix months ended June 30, 2017 were primarily attributable to (i) lease receipts of \$30.5 million \$34.1 million lease revenue, net of \$3.6 million of straight-line rent accrued during the period), (ii) \$7.1 million in net contributions from our operating subsidiaries MoGas and Omega, (iii) \$436 thousand in distributions and dividends received and (iv) a \$1.2 million reduction in accounts and other receivables during the period, partially offset by (v) \$5.8 million in cash paid for interest and (vi) \$5.6 million in general and administrative expenses.

Net cash flows provided by operating activities for thesix months ended June 30, 2016 were primarily attributable to (i) lease receipts of \$29.2 million \$34.0 million lease revenue, net of \$4.8 million of straight-line rent accrued during the period), (ii) \$7.4 million in net contributions from our operating subsidiaries MoGas and Omega, (iii) \$1.4 million in escrow proceeds received from the sale of Vantacore and (iv) \$468 thousand in distributions and dividends received, partially offset by (v) \$6.1 million in general and administrative expenses and (vi) \$6.8 million in cash paid for interest.

#### Cash Flows from Investing Activities

Net cash flows provided by investing activities for the six months ended June 30, 2017 were attributable to \$62 thousand return of capital distributions received, offset by purchases of equipment of \$14 thousand.

Net cash flows provided by investing activities for the six months ended June 30, 2016 were primarily attributable to (i) net proceeds from the sale of assets and liabilities held for sale of \$645 thousand, (ii) purchases of property and equipment of \$372 thousand, (iii) proceeds received on the foreclosure of BB Intermediate of \$223 thousand and (iv) funding to close operations of Black Bison and Four Wood financing notes of \$202 thousand.

#### Cash Flows from Financing Activities

Net cash flows provided by financing activities for thesix months ended June 30, 2017 were primarily attributable to (i) net offering proceeds on Series A Preferred Stock of \$71.2 million, partially offset by, (ii) repayment of principal on the CorEnergy Revolver of \$44.0 million, (iii) common and preferred dividends paid of \$17.3 million and \$3.4 million, respectively, and (iv) principal payments of \$4.4 million on our secured credit facilities.

The net cash used in financing activities for thesix months ended June 30, 2016 was primarily attributable to (i) principal payments of \$54.0 million on our secured credit facilities, (ii) common and preferred dividends paid of \$17.6 million and \$2.1 million, respectively, (iii) repurchases of common stock of approximately \$2.0 million, (iv) repurchases of convertible debt of approximately \$931 thousand, partially offset by (v) a \$44.0 million drawn on the CorEnergy Revolver.

#### **Revolving and Term Credit Facilities**

#### CorEnergy Credit Facility

Under the terms of the amended and restated CorEnegy Credit Facility, we are subject to certain financial covenants as follows: (i) a minimum debt service coverage ratio of 2.0 to 1.0; (ii) a maximum total leverage ratio of 5.0 to 1.0; (iii) a maximum senior secured recourse leverage ratio (which generally excludes debt from Unrestricted Subs) of 3.0 to 1.0; and (iv) a maximum total funded debt to capitalization ratio of 50 percent. Effective September 30, 2015, the CorEnergy Revolver was amended to clarify that the covenant related to our ability to make distributions is tied to AFFO and applicable REIT distribution requirements, and provides that, in the absence of any acceleration of maturity following an Event of Default, we may make distributions equal to the greater of the amount required to maintain our REIT status and 100 percent of AFFO for the trailing 12-month period. We



were in compliance with all covenants at June 30, 2017 and had approximately \$98.2 million of available borrowing capacity on the CorEnergy Revolver.

On July 28, 2017, we entered into an amended and restated CorEnergy Credit Facility with Regions Bank (as lender and administrative agent for other participating lenders). The amended facility provides for commitments of up to \$161.0 million, comprised of (i) increased commitments on the CorEnergy Revolver of up to \$160.0 million, subject to borrowing base limitations, and (ii) a \$1.0 million commitment on the MoGas Revolver. The amended facility has a 5-year term maturing on July 28, 2022, and provides for a springing maturity on February 28, 2020, and thereafter, if the Company fails to meet certain liquidity requirements from the springing maturity date through the maturity of the Company's convertible notes on June 15, 2020.

Other terms of the amended and restated CorEnergy Credit Facility are substantially the same as the prior facility. Borrowings under the credit facility will generally bear interest on the outstanding principal amount using a LIBOR pricing grid that is expected to equal a LIBOR rate plus an applicable margin of 2.75 percent to 3.75 percent, based on the Company's senior secured recourse leverage ratio. The facility contains, among other restrictions, certain financial covenants including the maintenance of certain financial ratios, as well as default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods), all of which are substantially the same as under the prior facility.

In connection with entering into the amended and restated facility, we used cash on hand and borrowings under the amended facility to repay the\$33.5 million outstanding balance on the CorEnergy Term Loan on the prior facility. As of July 31, 2017, we had \$131.5 million of availability under the amended and restated CorEnergy Revolver.

For a summary of the additional material terms of the CorEnergy Credit Facility, please see Part IV, Item 15, Note 12 ("Credit Facilities") included in our Annual Report on Form 10-K for the year ended December 31, 2016, and Part I, Item 1, Note 10 ("Debt") included in this Report.

#### Pinedale Credit Facility

On March 30, 2016, we and Prudential, as the Refinancing Lenders, and in proportion to our pro rata equity interests in Pinedale LP, refinanced the Pinedale Credit Facility and executed a series of agreements assigning the credit facility to CorEnergy Infrastructure Trust, Inc. as Agent for the Refinancing Lenders. As part of the refinancing, we terminated one of the derivative contracts, representing half of the amount hedged. The remaining derivative with a notional amount of \$26.3 million was de-designated from hedge accounting. The Pinedale Credit Facility is subject to (i) a minimum interest rate coverage ratio of 5.5 to 1.0; (ii) a maximum leverage ratio of 3.25 to 1.0; and (iii) a minimum net worth of \$115.0 million, each measured at the Pinedale LP level and not at the Company level. As a result of the March 30, 2016 refinancing, the minimum interest coverage ratio was amended to a ratio of 3.0 to 1.0. We were in compliance with all covenants at June 30, 2017.

For a summary of the additional material terms and the refinancing of the Pinedale Credit Facility, please see Part IV, Item 15, Note 12 ("Credit Facilities") included in our Annual Report on Form 10-K for the year ended December 31, 2016, and Part I, Item 1, Note 10 ("Debt") included in this Report.

#### Convertible Notes

As of June 30, 2017, we had \$114.0 million of face value of the Convertible Notes outstanding. Refer to Part IV, Item 15, Note 13 ("Convertible Debt") included in our Annual Report on Form 10-K for the year ended December 31, 2016 and Part I, Item 1, Note 10 ("Debt") included in this Report for additional information concerning the Convertible Notes.

#### MoGas Credit Facility

As of June 30, 2017, the co-borrowers were in compliance with all covenants and there have been no borrowings against the MoGas Revolver. OnJuly 28, 2017, the terms of the MoGas Revolver were amended and restated in connection with the CorEnergy Credit Facility, as discussed above. As a result, commitments under the MoGas Revolver were reduced to \$1.0 million.

#### Mowood/Omega Revolver

The Mowood/Omega Revolver is used by Omega for working capital and general business purposes and is guaranteed and secured by the assets of Omega. On July 31, 2017, the previous maturity date of July 31, 2017 was amended and extended to July 31, 2018. Interest accrues at LIBOR plus 4 percent and is payable monthly in arrears with no unused fee. There was no outstanding balance at June 30, 2017.

#### Equity Offerings

On February 18, 2016, we had a new shelf registration statement declared effective by the SEC, pursuant to which we may publicly offer additional debt or equity securities with an aggregate offering price of up to \$600.0 million.

As of June 30, 2017, we have issued 49,164 shares of common stock under our dividend reinvestment plan pursuant to the February 18, 2016 shelf, reducing availability by approximately \$1.3 million. Shelf availability was further reduced by approximately \$73.8 million as a result of the follow-on offering of additional 7.375% Series A Preferred Stock during the second quarter of 2017. As of June 30, 2017, availability on the current shelf registration is approximately \$524.9 million.

#### Liquidity and Capitalization

Our principal investing activities are acquiring and financing real estate assets within the U.S. energy infrastructure sector and concurrently entering into long-term triple-net participating leases with energy companies. These investing activities have generally been financed from the proceeds of our public equity and debt offerings as well as the term and credit facilities mentioned above. Continued growth of our asset portfolio will depend in part on our continued ability to access funds through additional borrowings and securities offerings.

The following is our liquidity and capitalization on the below-noted dates:

Liquidity and Capitalization						
	J	une 30, 2017	December 31, 2016			
Cash and cash equivalents	\$	37,280,689	\$	7,895,084		
Revolver availability	\$	98,164,933	\$	52,144,837		
Revolving credit facility		—		44,000,000		
Long-term debt (including current maturities)		152,674,184		156,632,880		
Stockholders' equity:						
Series A Preferred Stock 7.375%, \$0.001 par value		130,000,000		56,250,000		
Capital stock, non-convertible, \$0.001 par value		11,902		11,886		
Additional paid-in capital		343,585,389		350,217,746		
Accumulated other comprehensive loss		(5,218)		(11,196)		
CorEnergy equity		473,592,073		406,468,436		
Total CorEnergy capitalization	\$	626,266,257	\$	607,101,316		

We also have two lines of credit for working capital purposes for two of our subsidiaries with maximum availability of \$3.0 million and \$1.5 million atJune 30, 2017 and December 31, 2016.

As discussed above, on July 28, 2017 we entered into an amendment and restatement of our CorEnergy Credit Facility. As of July 31, 2017, we had liquidity of approximately \$146.7 million, comprised of cash of \$15.2 million and revolver availability under the amended and restated facility of \$131.5 million.

Additionally, we are exploring options which may be available to refinance the Pinedale Credit Facility with third-party lenders, and expect that a refinancing of the facility may be consummated during the second half of 2017. If completed, such a refinancing transaction would provide increased liquidity based on our pro rata portion of the refinancing proceeds.



#### CONTRACTUAL OBLIGATIONS

The following table summarizes our significant contractual payment obligations as of June 30, 2017:

Contractual Obligations										
	Notional Value		Less than 1 year		1-3 years		3-5 years		More than 5 years	
Pinedale LP Debt <sup>(1)</sup>	\$	7,701,316	\$	668,556	\$	1,337,112	\$	5,695,648	\$	_
Interest payments on Pinedale LP Debt (1)				606,204		1,046,709		364,960		_
Convertible Debt		114,000,000		_		114,000,000		_		_
Interest payments on Convertible Debt				7,980,000		15,960,000		_		_
CorEnergy Term Note (2)		33,510,000		6,460,000		27,050,000		_		_
Interest payment on CorEnergy Term Note				1,336,440		1,472,168		_		_
Totals			\$	17,051,200	\$	160,865,989	\$	6,060,608	\$	

(1) The amounts of Pinedale LP debt above represent Prudential's share of the principal and interest payments which is 18.95 percent of the total. Our share of the principal and interest are eliminated in consolidation as these became intercompany on March 30, 2016, due to CorEnergy taking over with Prudential as Refinancing Lenders on the Pinedale LP note. See Part I, Item 1, Note 10 ("Debt") for further information.

(2) The amount shown as the Notional Value for the CorEnergy Term Note represents the outstanding principal balance at June 30, 2017.

Fees paid to Corridor under the Management Agreement and the Administrative Agreement are not included because they vary as a function of the value of our total asset base. For additional information, see Part I, Item 1, Note 8 ("Management Agreement") included in this Report.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

We do not have, and are not expected to have, any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### MAJOR TENANTS

As of June 30, 2017, we had three significant leases. For additional information concerning each of these leases, see Part I, Item 1,Note 3 ("Leased Properties And Leases") included in this Report.

#### DIVIDENDS

Our portfolio of real property assets, promissory notes, and investment securities generates cash flow to us from which we pay distributions to stockholders. For the period ended June 30, 2017, the sources of our stockholder distributions include lease revenue, transportation and distribution revenue from our real property assets, and distributions from our investment securities. Distributions to common stockholders are recorded on the ex-dividend date and distributions to preferred stockholders are recorded when declared by the Board of Directors. The characterization of any distribution for federal income tax purposes will not be determined until after the end of the taxable year.

On February 28, 2017, we paid 2016 fourth quarter dividends of \$0.75 per share of common stock and \$0.4609375 per depositary share for our 7.375% Series A Preferred Stock.

On May 31, 2017, we paid 2017 first quarter dividends of \$0.75 per share of common stock and \$0.4609375 per depositary share for our 7.375% Series A Preferred Stock.

On August 1, 2017, our Board of Directors declared 2017 second quarter dividends of \$0.75 per share of common stock and \$0.4609375 per depositary share for our 7.375% Series A Preferred Stock payable on August 31, 2017.

A REIT is generally required to distribute during the taxable year an amount equal to at least 90 percent of the REIT taxable income (determined under Internal Revenue Code section 857(b)(2), without regard to the deduction for dividends paid). We intend to adhere to this requirement in order to maintain our REIT status. The Board of Directors will continue to determine the amount of any distribution that we expect to pay our stockholders.

#### IMPACT OF INFLATION AND DEFLATION

Deflation can result in a decline in general price levels, often caused by a decrease in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction, and weakened consumer demand. Restricted lending practices could impact our ability to obtain financings or to refinance our properties and our tenants' ability to obtain credit. During inflationary



periods, we intend for substantially all of our tenant leases to be designed to mitigate the impact of inflation. Generally, our leases include rent escalators that are based on the CPI, or other agreed upon metrics that increase with inflation.

#### **CRITICAL ACCOUNTING ESTIMATES**

The financial statements included in this Report are based on the selection and application of critical accounting policies, which require management to make significant estimates and assumptions. Critical accounting policies are those that are both important to the presentation of our financial condition and results of operations and require management's most difficult, complex, or subjective judgments. The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, recognition of distribution income, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from those estimates.

A discussion of our critical accounting estimates is presented under the heading "Critical Accounting Estimates" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2016, as previously filed with the SEC. No material modifications have been made to our critical accounting estimates.

#### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain elements of market risk. We consider fluctuations in the value of our securities portfolio and fluctuations in interest rates to be our principal market risks. As of June 30, 2017, there were no material changes to our market risk exposure as compared to the end of our preceding fiscal year endedDecember 31, 2016.

As of June 30, 2017, the fair value of our securities portfolio (excluding short-term investments) totaled approximately \$9.1 million. We estimate that the impact of a 10 percent increase or decrease in the fair value of these securities, net of related deferred taxes, would increase or decrease net assets applicable to common shareholders by approximately \$560 thousand. The fair value of securities is determined using readily available market quotations from the principal market, if available. Because there are no readily available market quotations for many of the securities in our portfolio, we value our securities at fair value as determined in good faith under a valuation policy and a consistently applied valuation process, which has been approved by our Board of Directors. Due to the inherent uncertainty of determining the fair value of securities that do not have readily available market quotations, the fair value of our securities may differ significantly from the fair values that would have been used had a ready market quotation existed for such securities, and these differences could be material.

Long-term debt used to finance our acquisitions may be based on floating or fixed rates. As ofJune 30, 2017, we had \$145.5 million in long-term debt (net of current maturities). We use interest rate swaps to manage our interest rate risk. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including forward interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates derived from observable market interest rate forward curves. Changes in interest rates can cause interest charges to fluctuate on that portion of our variable rate debt which is not hedged.

Variable rate debt as of June 30, 2017 was \$7.7 million under the Pinedale facility and \$33.5 million under the CorEnergy Term Note. These variable rate debt instruments total \$15.0 million of variable rate debt after giving effect to our\$26.3 million interest rate swap at June 30, 2017. A 100 basis point increase or decrease in current LIBOR rates would result in a \$216 thousand increase or decrease of interest expense for the six months ended June 30, 2017. As of June 30, 2017, the fair value of our interest rate swap derivative asset totaled approximately \$44 thousand. We estimate that the impact of a 100 basis point increase in the one-month LIBOR rate would increase the value of the interest rate swap by \$110 thousand, while a decrease of 100 basis points would decrease the value of the interest rate swap by \$111 thousand as of June 30, 2017.

We consider the management of risk essential to conducting our businesses. Accordingly, our risk management systems and procedures are designed to identify and analyze our risks, to set appropriate policies and limits and to continually monitor these risks and limits by means of reliable administrative and information systems and other policies and programs.

### **ITEM 4. CONTROLS AND PROCEDURES**

#### Conclusion Regarding Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Accounting Officer (our principal executive and principal financial officers, respectively), we have evaluated the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Report. Based on that evaluation, these officers concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

#### Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act, that occurred during the quarterly period ending June 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### PART II. OTHER INFORMATION

#### **ITEM 1. LEGAL PROCEEDINGS**

We are not currently subject to any material legal proceedings, nor, to our knowledge, is any material legal proceeding threatened against us.

#### **ITEM 1A. RISK FACTORS**

Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year endedDecember 31, 2016, sets forth information relating to important risks and uncertainties that could materially adversely affect our business, financial condition, or operating results. Those risk factors continue to be relevant to an understanding of our business, financial condition, and operating results for the quarter ended June 30, 2017. There have been no material changes to the risk factors contained in ourAnnual Report on Form 10-K for the year ended December 31, 2016.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the six months ended June 30, 2017, we did not sell any securities that were not registered under the 1933 Act, nor did we repurchase any equity securities of the Company.

#### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

#### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

#### **ITEM 5. OTHER INFORMATION**

#### Amended and Restated Credit Agreement

Given the timing of the event, the following information is included in this Form 10-Q pursuant to Item 1.01 "Entry into a Material Definitive Agreement" and Item 2.03 "Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant" of Form 8-K, in lieu of filing a separate Form 8-K.

As previously announced, the Company entered into a \$105.0 million revolving credit facility pursuant to an Amended and Restated Revolving Credit Agreement dated July 8, 2015, as amended by a certain First Amendment to the Revolving Credit Agreement dated November 4, 2015 (as amended, the "Credit Agreement"), with Regions Bank as administrative agent. The purpose of the credit facility was to fund general corporate needs and, if elected, to provide short-term financing for the acquisition of additional assets. The Company also previously announced that, in conjunction with the November 4, 2015 amendment to the Credit Agreement, Regions Bank and the other participating lenders made available to the Company a term loan facility in the amount of \$45.0 million (the "Term Loan"), the full amount of which was simultaneously drawn and utilized to pay down the then-outstanding balance on the revolver.

On July 28, 2017, the Company, as borrower, and Regions Bank, as a lender and as administrative agent for the other lenders participating therein, agreed to amend the Credit Agreement by entering into a Second Amendment to the Amended and Restated Revolving Credit Agreement, which effected a restatement of the Credit Agreement (as amended, the "Amended and Restated Credit Agreement"), to increase the size of the revolving credit facility to \$160.0 million (the "Credit Facility"), subject to borrowing base limitations. On the date thereof, the Company simultaneously borrowed \$10.0 million under the Credit Facility, which was utilized, with cash on hand, to pay down the outstanding balance of the Term Loan. The Credit Facility will continue to be used to fund general corporate needs and, if elected, to provide short-term financing for the acquisition of additional assets.

Under the terms of the Amended and Restated Credit Agreement, the Credit Facility will mature on July 28, 2022, or on an earlier "Springing Maturity Date" (the first date on or after February 28, 2020 that both (i) the outstanding principal amount of the Senior Unsecured Convertible Notes (as defined in the Amended and Restated Credit Agreement) exceeds \$28,750,000 and (ii) Borrower's unrestricted cash liquidity (including, for purposes of this definition, the undrawn portion of the borrowing base that is then available for borrowing) is less than the sum of (x) the outstanding principal amount of the Senior Unsecured Convertible Notes plus (y) \$5,000,000)).

The Credit Facility shall, at the option of the Company, bear interest at either (a) LIBOR plus a spread of 275 to 375 basis points, or (b) a rate equal to the higher of (i) the prime rate established by Regions Bank, (ii) the federal funds rate plus 0.5%, or (iii) the LIBOR rate plus 1.0%, plus a spread of 150 to 250 basis points. The applicable spread for each interest rate is based on the



Company's Senior Secured Recourse Leverage Ratio, as defined in the Amended and Restated Credit Agreement. The Credit Facility is also subject to an unused facility fee at the rate of 0.50% per annum times the amount by which total availability exceeds outstanding borrowings under the Credit Facility, calculated and payable on a quarterly basis.

The Amended and Restated Credit Agreement contains, among other restrictions, certain financial covenants including the maintenance of certain financial ratios. The Amended and Restated Credit Agreement contains default and cross-default provisions customary for transactions of this nature (with applicable customary grace periods). Upon the occurrence of an event of default, payment of all amounts outstanding under the Amended and Restated Credit Agreement shall become immediately due and payable.

A copy of the Amended and Restated Credit Agreement is filed as Exhibit 10.20.6 to this Report and is incorporated herein by reference. The description of the Amended and Restated Credit Agreement in this report is a summary and is qualified in its entirety by the terms of the Amended and Restated Credit Agreement attached hereto as Exhibit 10.20.6.

## ITEM 6. EXHIBITS

Exhibit N	Description of Document
<u>10.2.9</u> *	Letter Agreement, dated June 30, 2017, concerning Incentive Fee for June 30, 2017 under Management Agreement, dated May 8, 2015 and effective as of May 1, 2015, between Corridor InfraTrust Management, LLC and CorEnergy Infrastructure Trust, Inc.
10.20.6*	Second Amendment to Amended and Restated Revolving Credit Agreement, dated July 28, 2017, by and among the Company and Regions Bank, et al
<u>12.1</u> *	Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends.
<u>31.1</u> *	Certification by Chief Executive Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>31.2</u> *	Certification by Chief Accounting Officer pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
<u>32.1</u> **	Certification by Chief Executive Officer and Chief Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	The following materials from CorEnergy Infrastructure Trust, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income and Comprehensive Income, (iii) the Consolidated Statement of Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements.
*	Filed herewith.
**	Furnished herewith.

# CORENERGY INFRASTRUCTURE TRUST, INC.

#### SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

# CORENERGY INFRASTRUCTURE TRUST, INC.

(Registrant)

By: /s/ Nathan L. Poundstone

> Nathan L. Poundstone **Chief Accounting Officer** (Principal Accounting and Principal Financial Officer) August 2, 2017

By:

/s/ David J. Schulte

David J. Schulte **Chief Executive Officer and Director** (Principal Executive Officer) August 2, 2017



CorEnergy Infrastructure Trust, Inc. 1100 Walnut Street, Suite 3350 Kansas City, Missouri 64106

### Re: Incentive Fee Under Management Agreement for CorEnergy Infrastructure Trust, Inc.

Ladies and Gentlemen:

Reference is made to that certain Management Agreement, dated as of May 8, 2015 and effective as of May 1, 2015, by and between CorEnergy Infrastructure Trust, Inc., a Maryland corporation (the "<u>Company</u>"), and Corridor InfraTrust Management, LLC, a Delaware limited liability company ("<u>Manager</u>") (as such agreement has been, and may be further, amended, restated, supplemented or otherwise modified from time to time, the "<u>Management Agreement</u>"). Capitalized terms used and not defined herein are used as defined in the Management Agreement. The Company and the Manager have entered into this Letter Agreement to waive a portion of the Incentive Fee set forth in Section 8(b) of the Management Agreement applicable to the dividend paid during the calendar quarter ending June 30, 2017. This letter in no way supersedes our May 9, 2016 letter agreement (effective March 31, 2016) concerning the Management Fee calculation.

This letter documents that the Manager has recommended, and the Company has agreed, that the Manager shall only be paid an Incentive Fee of \$144,142 as a result of the dividend paid during the Company's June 30, 2017 calendar quarter. This agreed upon incentive fee payment constitutes a waiver by the Manager of \$4,534 of the Incentive Fee that would otherwise be due to the Manager from the Company.

The foregoing waiver shall not apply to any prior or future periods, although the Manager reserves the right to waive in the future any Incentive Fee payment to which it may be entitled for one or more future fiscal quarters of the Company.

The Company and the Manager mutually acknowledge and agree that this modification to the Incentive Fee payment right represents a discretionary action on the part of the Manager that is not required under the terms of the Management Agreement and that, except as specifically set forth herein, and as modified in our prior May 9, 2016 letter agreement concerning the Management Fee calculation, all provisions of the Management Agreement shall remain in full force and effect and shall not be affected by this letter.

June 30, 2017

Very truly yours, CORRIDOR INFRATRUST MANAGEMENT, LLC By: <u>/s/ Richard C. Green, Jr.</u> Name: Richard C. Green, Jr., Managing Director

Agreed and accepted:

CORENERGY INFRASTRUCTURE TRUST, INC.

By: <u>/s/ David J. Schulte</u> Name: David J. Schulte, President

# SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (herein called this "<u>Amendment</u>") made as of July 28, 2017 by and among CORENERGY INFRASTRUCTURE TRUST, INC., a Maryland corporation ("<u>Borrower</u>"), the Guarantors which are, or may become signatory to the Credit Agreement (as defined below), REGIONS BANK, as Agent, BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Syndication Agents, the Lenders party hereto, and REGIONS CAPITAL MARKETS, a Division of Regions Bank, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (or one of its designated affiliates), and WELLS FARGO SECURITIES, LLC, as joint lead arrangers and joint book runners.

# WITNESSETH:

WHEREAS, Borrower, Guarantors, Agent and Lenders entered into that certain Amended and Restated Revolving Credit Agreement dated as of July 8, 2015, as amended by First Amendment to Amended and Restated Revolving Credit Agreement dated as of November 4, 2015 (as amended, the "<u>Original Credit Agreement</u>"), for the purpose and consideration therein expressed, whereby Lenders became obligated to make loans to Borrower as therein provided; and

WHEREAS, Borrower, Guarantors, Agent and Lenders desire to amend the Original Credit Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and in the Original Credit Agreement, in consideration of the loans which may hereafter be made by Lenders to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

a.

# **DEFINITIONS AND REFERENCES**

- a. <u>Terms Defined in the Original Credit Agreement</u>. Unless the context otherwise requires or unless otherwise expressly defined herein, the terms defined in the Original Credit Agreement shall have the same meanings whenever used in this Amendment.
- b. <u>Other Defined Terms</u>. Unless the context otherwise requires, the following terms when used in this Amendment shall have the meanings assigned to them in this § 1.2.

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"Amendment" means this Second Amendment to Amended and Restated Revolving Credit Agreement.

"<u>Amendment Documents</u>" means this Amendment, each new Note, amendments to the Mortgage on the Willbridge Terminal Facility, the Mortgage by MGP on the MGP Pipeline, the Mortgage by UPS on the office building in which MGP's offices are located and the GIGS Mortgage, and any other document required to be delivered by Borrower or any Guarantor pursuant to Article III hereof.

"Credit Agreement" means the Original Credit Agreement as amended hereby.

## b.

# AMENDMENTS TO ORIGINAL AGREEMENT

- a. <u>Amendment of Credit Agreement</u>. The Original Agreement and the Schedules and Exhibits attached thereto are hereby amended in its entirety as set forth in Annex A attached hereto.
- b. <u>Prior Consents</u>. That certain Waiver and Consent dated June 22, 2015, that certain Limited Consent and Amendment dated as of March 4, 2016, and that certain Limited Consent dated May 27, 2016, each among Borrower, Agent and Lenders, are hereby superseded.
- c. <u>Reallocation of Revolving Commitments and Revolving Loans</u>. In connection herewith, contemporaneously with the effectiveness hereof, Lenders hereby acknowledge and agree that they shall be deemed to have sold and assigned to other Lenders, and/or purchased and accepted from other Lenders, a portion of the outstanding aggregate Revolving Commitments and Revolving Loans immediately prior to the effectiveness hereof, and hereby authorize the Borrower to make non-ratable borrowings and prepayments of Revolving Loans (and if any such sale, assignment, transfer, conveyance or prepayment includes the assignment or prepayment of any LIBOR Rate Loan on a day other than the last day of the Interest Period therefor, Borrower agrees that it shall pay any amounts requested by an affected Lender pursuant to §4.8 of the Credit Agreement), as may be necessary such that (i) each Lender's Revolving Commitment shall equal the Revolving Commitment amount set forth opposite such Lender's name on the Lenders Schedule attached as Schedule 1.1 to Annex A attached hereto) of the aggregate amount of all Lenders' Revolving Commitments and all outstanding Revolving Loans, respectively, and no such borrowing or prepayment shall violate any provisions of the Credit Agreement. Borrower, Agent and each Lender hereby (x) consents to all reallocations and assignments of the Revolving Commitments



and the Revolving Loans effected pursuant to the foregoing, (y) acknowledges and agrees that such reallocations and assignments shall be deemed effective as if such reallocations and assignments were evidenced by Assignment and Assumption Agreements among Lenders delivered pursuant to §18.1(a) of the Credit Agreement, and (z) agrees that Lenders shall make full cash settlement of such reallocations and assignments through the Agent, as the Agent may direct or approve, such that after giving effect to such settlement, each Lender's Revolving Commitment and Revolving Loans shall be as set forth above.

# c.

# CONDITIONS OF EFFECTIVENESS

a. <u>Effective Date</u>. This Amendment shall become effective as of the date first above written upon satisfaction of the following conditions precedent on or prior to such date (the "<u>Effective Date</u>"):

- i. Each of the Amendment Documents shall have been duly executed and delivered by the respective parties thereto, shall be in full force and effect and shall be in form and substance satisfactory to the Required Lenders. Agent shall have received a fully executed copy of each such document, except that each Lender shall have received a fully executed counterpart of its new Note.
- **ii.**Agent shall have received from Borrower a copy, certified as of a recent date by the appropriate officer of each State in which each Loan Party is organized or in which the Eligible Assets are located and a duly authorized member, manager, partner or officer of such Loan Party, as applicable, to be true and complete, of the Organizational Documents of such Loan Party, as applicable, or its qualification to do business, as applicable, as in effect on such date of certification.
- iii.All action on the part of each Loan Party necessary for the valid execution, delivery and performance by such Loan Party of this Amendment and the other Amendment Documents (as applicable) to which such Person is or is to become a party shall have been duly and effectively taken, and evidence thereof satisfactory to Agent shall have been provided to Agent. Agent shall have received from each Loan Party true copies of their respective resolutions adopted by their respective board of directors or other governing body authorizing the transactions described herein, each certified by its secretary, assistant secretary or other appropriate representative as of a recent date to be true and complete.
- **iv.**Agent shall have received from each Loan Party, an incumbency certificate (or certification as to the continuing accuracy of a previously-delivered incumbency certificate), dated as of the Effective Date, signed by a duly authorized officer of such Loan Party and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of such Loan Party, each of the Loan Documents to which such Person is or is to become a party. Agent shall have also received from Borrower a certificate (or certification as to the continuing accuracy of a previously-delivered certificate, dated as of the Effective Date, signed by a duly authorized member of Borrower and giving the name and specimen signature of each individual who shall be authorized to make Loan Requests and Conversion Requests, and to give notices and to take other action on behalf of Borrower under the Loan Documents.

- v.Agent shall have received a favorable opinion addressed to Lenders and Agent and dated as of the Effective Date, in form and substance reasonably satisfactory to Agent, from counsel of Borrower and the other Loan Parties, and counsel in such other states as may be requested by Agent, as to such matters as Agent shall reasonably request.
- vi.Borrower shall have paid the fees payable pursuant to that certain Fee Letter dated June 27, 2017 among Borrower, Agent, and Regions.
- vii.Agent shall have received evidence satisfactory to it that the insurance coverages required by the Credit Agreement or the other Loan Documents are in effect and any necessary flood insurance certifications with respect to the Borrowing Base Assets.
- viii.Borrower and the other Loan Parties shall have performed and complied with all terms and conditions herein required to be performed or complied with by them on or prior to the Effective Date, and on the Effective Date there shall exist no Default or Event of Default.
- ix. The representations and warranties made by Borrower and each of the other Loan Parties in the Loan Documents or otherwise made by or on behalf of Borrower and each of the other Loan Parties in connection therewith on the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Effective Date.
- **x.**No proceeding challenging or seeking to enjoin any of the transactions contemplated by the Loan Documents, or which could reasonably be expected to have a Material Adverse Effect shall be pending or shall have been threatened.
- xi.Agent shall have received executed copies of all other material agreements as Agent may have reasonably requested.
- xii.Agent shall have received satisfactory evidence that there are no actions, suits, investigations or proceedings pending or threatened, in any court or before any arbitrator or other Governmental Authority that purports to adversely affect Borrower or any other Loan Party, or any transaction contemplated hereby, that could reasonably be expected to have a Material Adverse Effect.



- xiii.Agent shall have received a fully-executed copy of an amendment to the MGP/UPS Credit Facility dated as of the Second Amendment Effective Date, providing for, among other things, a maturity consistent with the Maturity Date and sales and assignments (and corresponding purchases and acceptances) of "Commitments" and "Loans" (as such terms are defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility among the lenders party thereto such that each Lender under the Credit Agreement shall retain an identical Percentage under the Credit Agreement and "Commitment Percentage" (as defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility.
- xiv.Agent shall have reviewed such other documents, instruments, certificates, opinions, assurances, consents and approvals as Agent or Agent's Special Counsel may reasonably have requested.

For all purposes hereof, notwithstanding the foregoing conditions precedent, any Revolving Loans made on the Effective Date shall be deemed to have refinanced and extended (and not paid off) outstanding loans under the Credit Agreement.

d.

# **REPRESENTATIONS AND WARRANTIES**

a. <u>Representations and Warranties of Borrower.</u> In order to induce each Lender to enter into this Amendment, Borrower and each of the other Loan Parties (as applicable) represent and warrant and, to the extent set forth in certain Sections of the Credit Agreement, covenants to Agent and Lenders as follows:

- i. The representations and warranties made by Borrower and each of the other Loan Parties in the Amendment Documents or otherwise made by or on behalf of Borrower and each of the other Loan Parties in connection therewith on the date thereof were true and correct in all material respects when made and are true and correct in all material respects on the Effective Date.
- **ii.**The execution, delivery and performance of this Amendment and the other Amendment Documents to which the Loan Parties, or any of them, are or are to become a party and the transactions contemplated hereby and thereby (i) are within the authority of such Person, (ii) have been duly authorized by all necessary proceedings on the part of such Person, (including any required stockholder, partner or member approval), (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Person is subject or any judgment, order, writ, injunction, license or permit applicable to such Person, except for such conflicts or breaches that, individually and the aggregate, could not reasonably be expected to have a Material Adverse Effect, (iv) do not and will not conflict with or constitute a default (whether with the passage of time or the giving of notice, or both) under any provision of the Organizational Documents of, or any mortgage, indenture, agreement, contract or other instrument binding upon, such Person or any of its properties or to which such Person is subject, except for such conflicts or defaults that, individually and in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (v) do not and will not result in or require the imposition of any Lien or other encumbrance on any of the properties, assets or rights of such Person except for the Liens and security title granted by the Loan Documents.
- iii. The execution, delivery and performance by the Loan Parties, or any of them, of this Amendment and the other Amendment Documents to which they are or are to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Person or the authorization, consent or approval of, or any license or permit issued by, or any filing or registration with, or the giving of any notice to, any court, department, board, commission or other governmental agency or authority other than those already obtained and the filing of the Security Documents in the appropriate records office with respect thereto.

- **iv.**The execution and delivery of this Amendment and the other Amendment Documents to which the Loan Parties, or any of them, are or are to become a party are valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.
- v.The most recent financial statements of Borrower delivered to Lenders pursuant to §7.4(a) and (b) of the Credit Agreement fairly present in all material respects the financial condition of Borrower and its Subsidiaries as of such date and the results of the operations of Borrower and its Subsidiaries, for such period. Copies of such financial statements have heretofore been delivered to each Lender. As of the Effective Date there has occurred no materially adverse change in the financial condition or business of Borrower and its Subsidiaries, taken as a whole, as shown on or reflected in the balance sheet of Borrower or its Subsidiaries as of March 31, 2017, or its statement of income or cash flows for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had any materially adverse effect either individually or in the aggregate on the business or financial condition of Borrower and Restricted Subsidiaries and any Unrestricted Subsidiary with assets in excess of \$5,000,000.
- vi.No Default or Event of Default has occurred and is continuing as of the Effective Date and after giving effect to this Amendment.

e.

# **MISCELLANEOUS**

a. <u>Ratification of Agreements</u>. The Original Credit Agreement as hereby amended is hereby ratified and confirmed in all respects. The Loan Documents, as they may be amended or affected by the various Amendment Documents, are hereby ratified and confirmed in all respects. Any reference to the Credit Agreement in any Loan Document shall be deemed to be a reference to the Original Credit Agreement as hereby amended. Any reference to the Notes in any other Loan Document shall be deemed to be a reference to be a reference to the new Notes issued and delivered pursuant to this Amendment. The execution, delivery and effectiveness of this Amendment and the other Amendment Documents shall not, except as expressly provided herein or therein, operate as a waiver of any right, power or remedy of Lenders under the

Credit Agreement, the Notes, or any other Loan Document nor constitute a waiver of any provision of the Credit Agreement, the Notes or any other Loan Document.

- b. <u>Survival of Agreements</u>. All representations, warranties, covenants and agreements of any Loan Party herein shall survive the execution and delivery of this Amendment and the performance hereof, including without limitation the making or granting of the Loans and the issuance and delivery of the new Notes, and shall further survive until all of the Obligations are paid in full. All statements and agreements contained in any certificate or instrument delivered by any Loan Party hereunder or under the Credit Agreement to any Lender shall be deemed to constitute representations and warranties by, and/or agreements and covenants of, Loan Parties under this Amendment and under the Credit Agreement.
- c. <u>Loan Documents</u>. This Amendment is, and the other Amendment Documents are each a Loan Document, and all provisions in the Credit Agreement pertaining to Loan Documents apply hereto and thereto.
- d. <u>GOVERNING LAW</u>. THIS AMENDMENT AND EACH OF THE OTHER AMENDMENT DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SUCH STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW), AND ANY AND ALL MATTERS IN DISPUTE BETWEEN THE PARTIES TO THIS AMENDMENT ARISING FROM OR RELATING TO THE SUBJECT MATTER HEREOF SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.
- e. <u>Counterparts</u>. This Amendment may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or electronic communication shall be effective as delivery of a manually executed counterpart of this Amendment.
- f. <u>Indemnification</u>. Borrower and each other Loan Party waives, discharges, and forever releases Agent, each Lender and each Lender Party from and of any and all claims, causes of action, allegations or assertions that Borrower has or may have had at any time up through and including the date of this Amendment, against any or all of the foregoing, regardless of whether any such claims, causes of action, allegations or assertions are known to such Loan Party or whether any such claims, causes of action, allegations or assertions or omissions of

Agent, any Lender or any Lender Party in connection with the Loan Documents, or any amendments, extensions or modifications thereto, or Agent's administration of the debt evidenced by the loan documents or otherwise.

g. <u>Entire Agreement</u>. This Amendment, the other Amendment Documents, the other Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Amendment nor any term hereof may be changed, waived, discharged or terminated, except as provided in §27 of the Credit Agreement.

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IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

# **BORROWER:**

**CORENERGY INFRASTRUCTURE TRUST, INC.,** a Maryland corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# [SIGNATURES CONTINUED ON FOLLOWING PAGES]

 $S{\text{--}1} \quad \text{second amendment to corr amended/restated}$ 

[Execution of Second Amendment to Amended and Restated Revolving Credit Agreement Continued]

# **GUARANTORS:**

# CORRIDOR PRIVATE HOLDINGS, INC., a Delaware corporation CORRIDOR PUBLIC HOLDINGS, INC., a Delaware

corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# CORENERGY OPERATING PARTNERSHIP, LP,

a Delaware limited partnership By its general partner CorEnergy GP, LLC

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

**HUNTON GP, LLC,** a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# GRAND ISLE GP, INC.,

a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

# By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# **MOWOOD CORRIDOR, INC.,**

a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# HUNTON CORRIDOR, LP,

a Delaware limited partnership By its general partner Hunton GP, LLC

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# GRAND ISLE CORRIDOR, LP,

a Delaware limited partnership By its general partner Grand Isle GP, Inc.

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: General Partner

 $S\mbox{-}2 \quad \mbox{second amendment to corr amended/restated}$ 

# **GUARANTORS:**

# LCP OREGON HOLDINGS, LLC,

a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

**CORENERGY BBWS, INC.,** a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# **CORRIDOR MOGAS, INC.,** a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

**MOGAS PIPELINE LLC,** a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

# **CORRIDOR LEEDS PATH WEST, INC.,**

a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman **CORRIDOR BISON, LLC,** a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

**CORENERGY GP, LLC,** a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

**GRAND ISLE LP, INC.,** a Delaware corporation

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

UNITED PROPERTY SYSTEMS, LLC,

a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# FOUR WOOD CORRIDOR, LLC,

a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Executive Chairman

# [SIGNATURES CONTINUED ON FOLLOWING PAGES]

 $S\hbox{--}3 \quad \text{second amendment to corr amended/restated}$ 

# **GUARANTORS:**

# CORENERGY PIPELINE, LLC,

a Delaware limited liability company

By: <u>/s/ Richard C. Green</u> Name: Richard C. Green Title: Chairman

 $S\text{-}3A \quad \text{second amendment to corr amended/restated}$ 

# **REGIONS BANK**, as a Lender and as Agent

By:<u>/s/ David C. Valentine</u> Name: David C. Valentine Title: Senior Vice President

BANK OF AMERICA, N.A.,

as a Lender and as a Syndication Agent

By:<u>/s/ Alok Jain</u> Name: Alok Jain Title: Senior Vice President

# WELLS FARGO BANK, N.A.,

as a Lender and as a Syndication Agent

By:/s/ Bobby Ausman Name: Bobby Ausman Title: Vice President

# BOKF, NA DBA BANK OF KANSAS CITY, as a Lender

By:<u>/s/ John P. Mills</u> Name: John P. Mills Title: Senior Vice President

# ARVEST BANK, as a Lender

By:<u>/s/ Barry P. Sullivan</u> Name: Barry P. Sullivan Title: Senior Vice President

# ACADEMY BANK, N.A., as a Lender

By:<u>/s/ Jason Hilpipre</u> Name: Jason Hilpipre Title: Vice President

 $S-4 \quad \text{second amendment to corr amended/restated} \quad$ 

# EXECUTION COPY

ANNEX A

# COMPILED AMENDED AND RESTATED CREDIT AGREEMENT

# AS AMENDED THROUGH SECOND AMENDMENT

[Attach copy of Annex A]

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# AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

DATED AS OF JULY 8, 2015

(and amended by

the First Amendment dated as of November 4, 2015

and

the Second Amendment dated as of July 28, 2017)

## AMONG

# CORENERGY INFRASTRUCTURE TRUST, INC.

as Borrower,

THE GUARANTORS WHICH ARE OR MAY BECOME SIGNATORY HERETO,

as Guarantors,

AND

regions bank,

as a Lender, Swing Line Lender, LC Issuer and Agent

BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION,

as Lenders and Syndication Agents

AND

# THE OTHER LENDERS WHICH ARE OR MAY BECOME PARTIES TO THIS AGREEMENT

AND

# REGIONS CAPITAL MARKETS, A DIVISION OF REGIONS BANK, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED and WELLS FARGO SECURITIES, LLC, as Joint Lead Arrangers and Joint Book Runners

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XV

#### AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement") is made the 8<sup>th</sup> day of July, 2015, as amended through the Second Amendment, by and among CORENERGY INFRASTRUCTURE TRUST, INC., a Maryland corporation, as borrower ("Borrower"), having its principal place of business at 1100 Walnut, Suite 3350, Kansas City, Missouri 64106, each of the parties now or hereafter signatory hereto as guarantors (collectively "Guarantors"), REGIONS BANK, a national banking association ("Regions") and BANK OF AMERICA, N.A., ("Bank of America") with the other lending institutions that are or may become parties hereto pursuant to §18 as lenders ("Lenders"), REGIONS BANK, as administrative agent ("Agent") for itself and the other Lenders, REGIONS BANK, as Swing Line Lender, REGIONS BANK, as LC Issuer, BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION, as syndication agents, and REGIONS CAPITAL MARKETS, A DIVISION OF REGIONS BANK, MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED (or one of its designated affiliates), and WELLS FARGO SECURITIES, LLC, as joint lead arrangers and joint book runners.

#### **RECITALS**

WHEREAS, Borrower, Agent and certain Lenders are parties to that certain Revolving Credit Agreement dated as of September 26, 2014, as amended by First Amendment to Revolving Credit Agreement dated November 24, 2014 (such agreement, as amended, the "Existing Credit Agreement"), pursuant to which such Lenders made available to Borrower a revolving line of credit facility;

WHEREAS, Borrower has requested that Agent, the Lenders and LC Issuer amend and extend such revolving line of credit facility;

WHEREAS, Agent, the Lenders and LC Issuer are willing to amend and extend such revolving line of credit facility, all upon the terms and conditions contained herein;

**NOW, THEREFORE**, in consideration of the recitals herein and the mutual covenants and agreements contained herein, the parties hereto hereby agree as follows:

### **§1.**DEFINITIONS AND RULES OF INTERPRETATION

## §1.1 Definitions

The following terms shall have the meanings set forth in this §1 or elsewhere in the provisions of this Agreement referred to below:

<u>Adjusted EBITDA</u>. With respect to Borrower and its Subsidiaries on a Consolidated basis, EBITDA <u>minus</u> EBITDA attributable to Net Income of any Unrestricted Subsidiary or any person that is not a Subsidiary, other than net dividends or other distributions in cash actually distributed during such period to Borrower or any Restricted Subsidiary.

Advance Account. The account established pursuant to §5.3.

<u>Adjusted Funds From Operations</u>. Funds from Operations <u>plus</u> transaction costs, amortization of debt issuance costs, deferred leasing costs, above-market rent, and certain costs of a nonrecurring nature, <u>less</u> maintenance, capital expenditures (if any), amortization of debt premium and other adjustments as deemed appropriate by Borrower.

Affected Lender. See §18.8.

Affiliates. As applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under common control with"), as applied to any Person, means (a) the possession, directly or indirectly, of the power to vote fifty percent (50%) or more of the stock, shares, voting trust certificates, beneficial interests, partnership interests, member interests or other interests having voting power for the election of directors of such Person or otherwise to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise, or (b) the ownership of (i) a general partnership interest, (ii) a managing member's interest in a limited liability company or (iii) a limited partnership interest or preferred stock (or other ownership interest) with voting rights representing fifty percent (50%) or more of the outstanding voting rights of such Person.

Agent. Regions, acting as Agent for itself and the other Lenders, its successors and assigns.

Agent Parties. See §23(d)(ii).

Agent's Office. Agent's office located at Suite 1050, 3773 Richmond Avenue, Houston, Texas 77046, or at such other location as Agent may designate from time to time by notice to Borrower and the other Lenders.

Agent's Special Counsel. Thompson & Knight LLP or such other counsel as may be selected by Agent.

<u>Agreement</u>. This Amended and Restated Revolving Credit Agreement, including the <u>Schedules</u> and <u>Exhibits</u> hereto, as amended by the First Amendment to Amended and Restated Revolving Credit Agreement dated as of November 4, 2015 and the Second Amendment.

<u>Agreement Regarding Fees</u>. The Regions Fee Letter dated as of June 27, 2017, among Agent, Regions, Bank of America and Borrower regarding certain fees payable by Borrower in connection with this Agreement.

<u>Anti-Corruption Laws</u>. All laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption.

<u>Arranger</u>. Each of Regions Capital Markets, a division of Regions Bank, Merrill Lynch, Pierce, Fenner & Smith Incorporated (or one of its designated affiliates) and Wells Fargo Securities, LLC.

#### Assignment and Assumption Agreement. See §18.1.

Assignment of Lease. Each Assignment of Lease from a Loan Party in favor of Agent, as the same may be amended, restated, supplemented, consolidated or otherwise modified from time to time, pursuant to which there shall be granted to Agent for the benefit of Lenders a security interest in the interest of such Loan Party as lessor with respect to an Eligible Lease, such assignment to be in form and substance satisfactory to Agent.

<u>Bail-In Action</u>. The exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

Bail-In Legislation. With respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

Bank of America. Bank of America, N.A.

Base Rate. The term Base Rate shall mean, for any day, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the greatest of: (i) the rate of interest established by Regions from time to time as its "prime rate" whether or not publicly announced, which interest rate may or may not be the lowest rate

charged by it for commercial loans or other extensions of credit; (ii) the Federal Funds Effective Rate in effect from time to time, determined one Business Day in arrears, plus  $\frac{1}{2}$  of one percent (0.5%) per annum; or (iii) the then-applicable LIBOR Rate for a one (1) month Interest Period plus one percent (1.0%) per annum; provided if Base Rate shall be less than zero, then the Base Rate shall be deemed zero for purposes of this Agreement.

Base Rate Loans. Those Revolving Loans bearing interest by reference to the Base Rate.

<u>Base Rate Spread</u>. For any day, the applicable rate per annum set forth in the grid below determined by reference to the Senior Secured Recourse Leverage Ratio as set forth in the most recent Compliance Certificate received by Agent pursuant to §7.4(c) (and prior to the date on which the Compliance Certificate for the fiscal quarter ending June 30, 2017 is due pursuant to §7.4(c), the rate per annum designated as Pricing Level 1 in such grid below):

Applicable Margin				
Pricing Level	Senior Secured Recourse Leverage Ratio	Base Rate Loans		
1	≤ 1.00:1.00	1.50%		
2	$> 1.00:1.00$ but $\le 1.50:1.00$	1.75%		
3	$> 1.50:1.00$ but $\le 2.00:1.00$	2.00%		
4	$> 2.00:1.00 \text{ but} \le 2.50:1.00$	2.25%		
5	> 2.50:1.00	2.50%		

Any increase or decrease in the Base Rate Spread resulting from a change in Senior Secured Recourse Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to §7.4(c); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then Pricing Level 5 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and in each case shall remain in effect until the date on which such Compliance Certificate is delivered.

If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Senior Secured Recourse Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Senior Secured Recourse Leverage Ratio would have resulted in higher Base Rate Spread for such period, the Borrower shall immediately and retroactively be obligated to pay to the Agent for the account of the applicable Lenders, promptly on demand by the Agent, an amount equal to the excess of the amount of interest that should

have been paid on Base Rate Loans for such period over the amount of interest actually paid on Base Rate Loans for such period.

Borrower. As defined in the preamble hereto.

Borrower's Knowledge or Knowledge. The actual knowledge of the chief executive officer, Principal Financial Officer, chief financial officer (if different from the Principal Financial Officer), or in-house general counsel of Borrower, after having conducted a reasonable investigation and inquiry thereof.

Borrowing Base. As of any date of determination, the Borrowing Base as set forth in the most recent Borrowing Base Certificate delivered pursuant to §7.4(e). The Borrowing Base value of each Borrowing Base Asset shall be equal to the lesser of (a) fifty percent (50%) (or, as to GIGS and the GIGS Lease, thirty-five percent (35%)) of the acquisition price, cost or investment amount, as applicable, of such Borrowing Base Asset, as supported by a third-party valuation (or subsequent re-valuation as described in clause (iii) below) acceptable to Agent or (b) 4.5 times (or, as to GIGS and the GIGS Lease, 3.0 times) the projected Asset Cash Flow of the immediately upcoming four (4) fiscal quarters attributable to such Borrowing Base Asset, as reasonably determined by the Required Lenders; provided, projected Asset Cash Flow attributable to the MGP Pipeline and the MGP Lease shall be pro forma for the Firm Service Transportation Agreement dated March 1, 2017, between MGP and Laclede Gas Company and shall, subject to Agent's review and approval, be subject to adjustment based on future contracts as may be proposed by the Borrower, and shall initially include:

(a) \$25,000,000, attributable to the Willbridge Terminal Facility and the Willbridge Terminal Facility Lease, plus fifty percent (50%) of capital expenditures made with respect to the Willbridge Terminal Facility after the Second Amendment Closing Date, such capital expenditures set forth in reasonable detail satisfactory to Agent,

- (b) \$30,777,386, attributable to the MGP Pipeline and the MGP Pipeline Lease, and
- (c) \$85,750,000, attributable to GIGS and the GIGS Lease.

As used herein, "Asset Cash Flow" means projected EBITDA attributable to such asset determined prior to the payment of any management fees to Corridor.

Furthermore, following the acquisition of any Eligible Assets and/or Eligible Mortgages in one or more related transactions after the Second Amendment Closing Date with a Borrowing Base value in excess of \$25,000,000, the Borrowing Base value of any single Eligible Asset or Eligible Mortgage (including without limitation GIGS and the GIGS Lease) shall be limited to fifty percent (50%) of the total Borrowing Base.

In any event, the parties acknowledge and agree that (i) with respect to any Eligible Asset that includes an Eligible Lease, at any time that three consecutive uncured payment defaults exist under the Eligible Lease with respect to such Eligible Asset, the Borrowing Base value of such Eligible Asset shall be zero, (ii) with respect to any Eligible Mortgage, at any time that three consecutive uncured payment defaults exist under such Eligible Mortgage, at any time that three consecutive uncured payment defaults exist under such Eligible Mortgage, the Borrowing Base value of such Eligible Mortgage shall be zero, and (iii) at any time Borrower is required to obtain a new third-party re-valuation with respect to any Borrowing Base Asset pursuant to a potential reduction in the book value of such Borrowing Base Asset under applicable GAAP financial reporting guidelines, such re-valuation (A) with respect to Borrowing Base Assets other than GIGS shall be used in determining the value of such Borrowing Base Asset and (B) with respect to GIGS and the GIGS Lease shall be used to reset the Borrowing Base value of GIGS Lease to an amount equal to 25% of the lesser of (x) the original cash purchase price of GIGS and (y) such third-party re-valuation.

Furthermore, the parties acknowledge and agree that as of the Second Amendment Closing Date neither the Mowood (Omega) System nor the Mowood (Omega) System Contract qualify as an Eligible Asset, but that if following the Second Amendment Closing Date the Mowood (Omega) System and Mowood (Omega) System Contract shall qualify as an Eligible Asset, the Borrowing Base value thereof shall be (i) discounted fifty percent (50%) if the Mowood (Omega) System Contract expires less than 6 months (but more than 3 months) from such determination date and (ii) reduced to zero if the Mowood (Omega) System Contract expires in less than 3 months from such determination date.

Borrowing Base Assets. As of any date of determination, Eligible Assets and Eligible Mortgages that are held by a Loan Party as of such date; provided that Borrowing Base Assets as of any date of determination shall include assets that will become Eligible Assets or Eligible Mortgages substantially concurrently with the funding of any Loan on such date.

#### Borrowing Base Certificate. See §7.4(e).

Business Day. Any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state of New York, the state of Missouri, the state where Agent's Office is located and, if such day relates to any LIBOR Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

<u>Capitalized Lease</u>. A lease under which a Person is the lessee or obligor, the discounted future rental payment obligations under which are required to be capitalized on the balance sheet of the lessee or obligor in accordance with GAAP.

<u>Cash Collateralize</u>. To pledge and deposit with or deliver to Agent, for the benefit of Agent, Swing Line Lender or LC Issuer (as applicable) and the Lenders, as collateral for LC Obligations, Obligations in respect of Swing Line Loans, or obligations of Lenders to fund participations in respect of either thereof (as the context may require), cash or deposit account balances in a maximum amount equal to 105% of the maximum principal amount of the credit exposure being secured or, if LC Issuer or Swing Line Lender benefitting from such collateral shall agree in its discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to (a) Agent and (b) LC Issuer or Swing Line Lender (as applicable). "<u>Cash Collateral</u>" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

#### <u>CERCLA</u>. See §6.18(a).

Change in Law. The occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

Change of Control. A Change of Control shall exist upon the occurrence of any of the following:

(a) A transaction in which any "person" or "group" (within the meaning of Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of a sufficient number of shares of all classes of stock then outstanding of Borrower ordinarily entitled to vote in the election of directors, empowering such "person" or "group" to elect a majority of the Board of Directors of Borrower, who did not have such power before such transaction; or

(b) Any Guarantor other than Borrower's taxable REIT Subsidiaries (which, as of the Second Amendment Closing Date, are Mowood Corridor, Inc., Corridor Public Holdings, Inc., Corridor Private Holdings, Inc., CorEnergy BBWS, Inc., Corridor Leeds Path West, Inc. and CMGI) ceases for any reason to be a Subsidiary of Borrower.

Closing Date. July 8, 2015.

<u>CMGI</u>. Corridor MoGas, Inc., a Delaware corporation and a wholly-owned Subsidiary of Borrower, and its successors and assigns.

<u>CMGI Intercompany Note Documents</u>. Collectively, (i) that certain Term Note dated as of November 24, 2014 by CMGI as maker and payable to Borrower in the original principal amount of \$90,000,000 (the "<u>CMGI Intercompany Note</u>"), and (ii) all guaranties, mortgages and security documents by MGP and UPS in favor of CMGI securing the CMGI Intercompany Note, including, without limitation, UCC-1 financing statements filed or recorded in connection therewith, as each may be further amended, modified, renewed, consolidated, supplemented or extended, from time to time.

Code. The Internal Revenue Code of 1986, as amended.

<u>Collateral</u>. All of the property, rights and interests of the Loan Parties which are or are intended to be subject to the security interests, security title, liens and mortgages created by the Security Documents.

<u>Collateral Assignment (CMGI Note)</u>. That certain Collateral Assignment of Note and Mortgage dated as of November 24, 2014 by Borrower in favor of Agent for the benefit of the Lender Parties granting a security interest in the mortgages dated as of November 24, 2014 delivered by MGP and UPS in favor of Borrower to secure the CMGI Intercompany Note, together with Consent and Estoppel Agreement dated as of November 24, 2014 by MGP, UPS and CMGI.

Commodity Exchange Act. The Commodity Exchange Act (7 U.S.C. §1 et seq.), as amended from time to time, and any successor statute.

Communications. See §23(d)(ii).

Compliance Certificate. See §7.4(c).

<u>Consolidated</u>. With reference to any term defined herein, that term as applied to the financial condition or operating results of a Person and its Subsidiaries, determined on a consolidated or combined basis in accordance with GAAP.

Conversion Request. A notice given by Borrower to Agent of its election to convert or continue a Loan in accordance with §4.1.

Corridor. Corridor InfraTrust Management, LLC, a Delaware limited liability company, and its successors and assigns.

<u>Debt Service Coverage Ratio</u>. For any Test Period, the ratio of (i) Adjusted EBITDA of Borrower and its Restricted Subsidiaries on a Consolidated basis for such period (without giving effect to any *pro forma* adjustments for acquisitions or dispositions included therein), to (ii) Debt Service for such period.

<u>Debt Service</u>. For Borrower and its Restricted Subsidiaries on a Consolidated basis, for any fiscal period, the sum of (i) interest expense on any Indebtedness other than Non-Recourse Debt, <u>plus</u> (ii) required amortization on any Indebtedness other than Non-Recourse Debt and current maturities of Revolving Loans.

<u>Debtor Relief Law</u>. The Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

Default. See §12.1.

Default Rate. See §4.12.

Defaulting Lender. Subject to §14.5(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies Agent and Borrower in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to Agent, any LC Issuer, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including with respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified Borrower, Agent or any LC Issuer or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by Agent or Borrower, to confirm in writing to Agent and Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by Agent and Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law or a Bail-In Action, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or l

including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to §14.5(c)) upon delivery of written notice of such determination to the Borrower, each LC Issuer, each Swing Line Lender and each Lender.

Designated Persons. A person or entity: (i) listed in the annex to, or otherwise the subject of the provisions of, any executive order administered by OFAC or the U.S. Department of State or (ii) named as a "Specially Designated National and Blocked Person" or a "Foreign Sanctions Evaders" on the most current list published by OFAC at its official website or any replacement website or other replacement official publication of such list; or is otherwise the subject of any Sanctions Laws and Regulations.

<u>Disposition</u> or <u>Dispose</u>. The sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

Distribution. With respect to any Person, the declaration or payment of any cash, cash flow, dividend or distribution (whether in the form of cash or property) on or in respect of any shares of any class of capital stock, partnership interest, membership interest or other beneficial interest of such Person; the purchase, redemption, exchange or other retirement for value of any shares of any class of capital stock, partnership interest, membership interest or other beneficial interest of such Person, directly or indirectly through a Subsidiary of such Person or otherwise; the return of capital (whether in the form of cash or property) by a Person to its shareholders, partners, members or other beneficial owners as such; or any other distribution on or in respect of any shares of any class of capital stock, partnership interest, membership interest, membership interest, membership interest, membership interest or other beneficial interest of such Person to its shareholders, partners, members or other beneficial owners as such; or any other distribution on or in respect of any shares of any class of capital stock, partnership interest, membership interest or other beneficial interest of any shares of any class of capital stock, partnership interest, membership interest, membership interest, membership interest or other beneficial interest of such Person.

Dollars or §. Dollars in lawful currency of the United States of America.

Domestic Lending Office. Initially, the office of each Lender designated as such in <u>Schedule 1.1</u> hereto; thereafter, such other office of such Lender, if any, located within the

United States that will be making or maintaining Base Rate Loans. With respect to LC Issuer, the office, branch, or agency through which it issues Letters of Credit; and, with respect to Agent, the office, branch, or agency through which it administers this Agreement.

Drawdown Date. The date on which any Loan is made or is to be made, and the date on which any Loan is converted to a Loan of the other Type.

EBITDA. With respect to Borrower and its Subsidiaries for any fiscal period, on a Consolidated basis, the sum of (a) Net Income, plus (b) without duplication, to the extent the following have been deducted in the calculation of Net Income for such period, and excluding items attributable to non-controlling interests, (i) interest expense, (ii) federal, state and local income tax expense, (iii) depletion, depreciation and amortization expense, (iv) all non-recurring non-cash expenses or charges (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period), (v) distributions received from investment securities, (vi) net dividends or other distributions in cash actually distributed during such period to Borrower or any Subsidiary (other than any dividends or other distributions in cash that are extraordinary, unusual or non-recurring in nature) from (A) Vantacore Partners LP, a Delaware limited partnership, or Lightfoot Capital Partners, LP, a Delaware limited partnership, or (B) any other Person that is not a Subsidiary, up to an aggregate amount under this subclause (B) not to exceed 10% of EBITDA for such period, and (vii) cash revenue attributable to GIGS in excess of GAAP revenue attributable to GIGS (if positive), minus the sum of (c) all nonrecurring non-cash items increasing Net Income of Borrower and its Subsidiaries for such period (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), (d) net realized and unrealized gains on trading securities or other equity securities and net dividend income and (e) GAAP revenue attributable to GIGS in excess of cash revenue attributable to GIGS (if positive), all determined without duplication and in accordance with GAAP. If the Borrower or any Restricted Subsidiary shall acquire or dispose of any asset backed by an Eligible Lease or Eligible Mortgage during such period, then EBITDA shall be calculated after giving pro forma effect to such acquisition or disposition, as if such acquisition or disposition had occurred on the first day of such period; provided, however, with respect to any acquisition, the projected EBITDA of the immediately upcoming four (4) fiscal quarters attributable to such acquired asset (as opposed to historical EBITDA) shall be utilized for such purposes.

EEA Financial Institution. (a) Any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established

in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

EEA Member Country. Any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

EEA Resolution Authority. Any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

Eligible Assets. The fee, leasehold, easement, right-of-way and/or other real property interests, and any interests relating thereto, together with all improvements thereon constituting midstream energy assets, downstream energy assets, power assets, oil pipelines, natural gas pipelines, liquids gathering systems, electric transmission lines or other infrastructure systems, in all cases (a) being subject to an Eligible Lease, and (b) being approved by the Required Lenders. As of the Second Amendment Closing Date, each of the Willbridge Terminal Facility, the MGP Pipeline and GIGS is an Eligible Asset.

Eligible Assignee: (a) Any Lender or any Affiliate of a Lender; (b) any commercial bank, savings bank, savings and loan association, investment or mutual fund, or similar financial institution which (i) has total assets of \$5,000,000,000 or more, (ii) is "well capitalized" within the meaning of such term under the regulations promulgated under the auspices of the Federal Deposit Insurance Corporation Improvement Act of 1991, as amended, (iii) in the sole judgment of Agent, is engaged in the business of lending money and extending credit, and buying loans or participations in loans under credit facilities substantially similar to those extended under this Agreement, and (iv) in the sole judgment of Agent, is operationally and procedurally able to meet the obligations of a Lender hereunder; (c) any insurance company in the business of writing insurance which (i) has total assets of \$5,000,000,000 or more (ii) is "best capitalized" within the meaning of such term under the applicable regulations of the National Association of Insurance Commissioners, and (iii) meets the requirements set forth in subclauses (iii) and (iv) of clause (b) above; and (d) any other financial institution having total assets of \$5,000,000,000 or more, and any of its Related Funds) which meets the requirement set forth in subclauses (iii) and (iv) of clause (b) above; the requirement set forth in subclauses (iii) and (iv) of clause the requirement set forth in subclauses (iii) and (iv) of clause (b) above; the United States of America, any state thereof or the District of Columbia, or, if a commercial bank, be organized under the Laws of the United States of America, any State thereof or the District of Columbia, the Cayman Islands or any country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of such a country, (B) act under the Loan Documents through a branch, agency or funding office located in the United



States of America, (C) be exempt from withholding of tax on payments hereunder and deliver the documents related thereto pursuant to the Internal Revenue Code as in effect from time to time, and (D) not be a Loan Party or an Affiliate of any Loan Party.

Eligible Lease. A lease of an Eligible Asset between a Loan Party, as lessor, and a lessee satisfactory to Agent which lease (i) has a minimum term of three (3) years, (ii) is a triple net lease, (iii) provides for all maintenance and repair of the Eligible Assets to be the responsibility of the lessee, (iv) provides for insurance of the Eligible Assets and liability coverage (all at the expense of the lessee) in accordance with industry standards and satisfactory to the Agent, (v) provides for indemnification by the lessee in favor of the lessor and the Lenders with respect to environmental matters on terms satisfactory to Agent, (vi) is subject to a subordination, non-disturbance and attornment agreement in form and substance satisfactory to Agent, and (vii) is otherwise in form and substance satisfactory to the Required Lenders.

Eligible Mortgage. A first priority mortgage, deed of trust, deed to secure debt or similar instrument necessary to create and perfect a lien or security title, as applicable, under the applicable local law that encumbers real property as security, such security instrument and promissory note secured thereby (i) containing provisions requiring the borrower thereunder to maintain insurance on the real property subject thereto in accordance with industry standards and satisfactory to Agent, (ii) containing indemnification provisions with respect to environmental matters by the borrower thereunder in favor of the applicable Loan Party on terms satisfactory to Agent, (iii) being approved by the Required Lenders and (iv) otherwise in form and substance satisfactory to the Required Lenders.

Employee Benefit Plan. Any employee benefit plan within the meaning of §3(3) of ERISA maintained or contributed to by Borrower or any ERISA Affiliate, other than a Multiemployer Plan.

<u>Environmental Engineer</u>. Any firm of independent professional engineers or other scientists generally recognized as expert in the detection, analysis and remediation of Hazardous Substances and related environmental matters and reasonably acceptable to Agent.

Environmental Laws. See §6.18(a).

Environmental Reports. See §6.18

EPA. See §6.18(b).

Equity Interests. With respect to any Person, all shares of capital stock, partnership interests, membership interests in a limited liability company or other ownership in participation or equivalent interests (however designated, whether voting or non-voting) of such

Person's equity capital (including any warrants, options or conversion or other purchase rights with respect to the foregoing) whether now outstanding or issued after the Second Amendment Closing Date.

<u>ERISA</u>. The Employee Retirement Income Security Act of 1974, as amended and in effect from time to time and any rules and regulations promulgated pursuant thereto.

ERISA Affiliate. Any Person which is treated as a single employer with Borrower under §414 (b) or (c) of the Code.

ERISA Reportable Event. A reportable event with respect to a Guaranteed Pension Plan within the meaning of §4043 (c) of ERISA and the regulations promulgated thereunder as to which the requirement of notice has not been waived.

EU Bail-In Legislation Schedule. The EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

Event of Default. See §12.1.

Excluded Swap Obligation. With respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty Agreement of such Guarantor of, or the grant by such Guarantor of a Lien to secure, such Swap Obligation (or any Guaranty Agreement with respect thereto) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guaranty Agreement of such Guarantor or the grant of such Lien becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guaranty Agreement or Lien is or becomes illegal.

Excluded Taxes. Any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Commitment pursuant to a law in effect on the date on which (i) such Lender

acquires such interest in the Loan or Revolving Commitment (other than pursuant to an assignment request by Borrower under §4.10) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to §4.4, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with §4.4(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

Existing Credit Agreement. As defined in the Recitals hereto.

<u>FATCA</u>. Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

<u>Federal Funds Effective Rate</u>. For any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by Agent from three (3) Federal funds brokers of recognized standing selected by Agent. Any change in the Federal Funds Effective Rate shall become effective as of the opening of business on the day on which such change in the Federal Funds Effective Rate becomes effective, without notice or demand of any kind.

<u>Flood Insurance Regulations</u>. (i) the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (ii) the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (iii) the National Flood Insurance Reform Act of 1994 (amending 42 USC 4001, et seq.), as the same may be amended or recodified from time to time, and (iv) the Flood Insurance Reform Act of 2004 and any regulations promulgated thereunder.

<u>Foreign Lender</u>. (a) if Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

<u>Fronting Exposure</u>. At any time there is a Defaulting Lender, (a) with respect to LC Issuer, such Defaulting Lender's Percentage of the outstanding LC Obligations other than LC Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to

Swing Line Lender, such Defaulting Lender's Percentage of Swing Line Loans other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

<u>Funded Debt</u>. With respect to any Person, without duplication, all outstanding Indebtedness of such Person, other than Indebtedness described in clause (f) of the definition of Indebtedness herein.

<u>Funds from Operations</u>. With respect to Borrower for any fiscal period, an amount equal to Net Income <u>plus</u> depreciation and amortization, gains or losses on the sale of assets, distributions received from investment securities, and net income tax expense, <u>minus</u> net realized and unrealized gain on trading securities or other equity securities, net dividend income, and non-controlling interest attributable to Funds from Operations reconciling items, all determined without duplication and in accordance with the definition of such term as promulgated by the National Association of Real Estate Investment Trust.

GAAP. Generally accepted accounting principles in the United States, applied on a basis consistent with the principles used in preparing Borrower's audited Consolidated financial statements for the fiscal year then ended, as such principles may be revised as a result of changes in such accounting principles implemented by Borrower and its Consolidated Subsidiaries subsequent to such date. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth herein and Borrower or the Required Lenders shall so request, Agent, Lenders, and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, such ratio or requirement shall continue to be computed in accordance with GAAP as in effect prior to such change therein.

<u>GIGS</u>. The Liquids Transportation System, and the personal property, interconnection agreements and county and state permits relating thereto, acquired by Grand Isle Corridor from Energy XXI USA, Inc. and subject to the GIGS Lease.

GIGS Lease. That certain Lease dated June 30, 2015 between Grand Isle Corridor, as landlord, and Energy XXI GIGS Services, LLC, as tenant.

GIGS Mortgage. That certain Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement dated as of July 8, 2015 by Grand Isle Corridor in favor of Agent for the benefit of Lenders granting liens on and security interests in GIGS to secure the Obligations.



<u>GIGS Purchase Agreement</u>. That certain Purchase and Sale Agreement dated as of June 22, 2015 between Energy XXI USA, Inc., as seller, and Grand Isle Corridor, as buyer.

<u>Governmental Authority</u>. Any international, foreign, federal, state, county or municipal government, or political subdivision thereof; any governmental, quasi-governmental or regulatory agency, authority, board, bureau, commission, department, instrumentality or public body; or any court or administrative tribunal.

Grand Isle Corridor. Grand Isle Corridor, LP, a Delaware limited partnership and a wholly-owned Subsidiary of Borrower, and its successors and assigns.

<u>Guaranteed Pension Plan</u>. Any employee pension benefit plan within the meaning of §3(2) of ERISA maintained or contributed to by Borrower or any ERISA Affiliate the benefits of which are guaranteed on termination in full or in part by the PBGC pursuant to Title IV of ERISA, other than a Multiemployer Plan.

<u>Guarantors</u>. The parties signatory hereto as guarantors, if any, and all other parties that execute and deliver a joinder to the Guaranty Agreement pursuant to §5.1(a).

<u>Guaranty Agreement</u>. The agreements set forth in §34 of this Agreement and any guaranties of the Obligations (or portions thereof) executed by a Guarantor in favor of Agent, for the benefit of Lenders, after the Closing Date, all such guaranties to be in form and substance satisfactory to Agent as of the date such guarantees are delivered, and as the same may be modified or amended hereafter.

Hazardous Substances. See §6.18(b).

Hedge Agreement. Any interest rate cap, collar, floor, forward rate or swap agreement or similar protective agreement regarding the hedging of interest rate risk exposure (including, without limitation, any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act) now or hereafter entered into between Borrower and any Person that was a Lender or Affiliate thereof at the time of making such Hedge Agreement with respect to the Loans.

Increasing Lender. See §2.8.

Indebtedness. With respect to any Person means: (a) all indebtedness for money borrowed and any obligations evidenced by bonds, debentures, notes or similar debt instruments; (b) all liabilities secured by any mortgage, deed of trust, deed to secure debt, pledge, security interest, lien, charge or other encumbrance existing on property owned or acquired subject thereto, whether or not the liability secured thereby shall have been assumed; (c) all guarantees, endorsements and other contingent obligations whether direct or indirect in respect of

indebtedness of others (excluding performance guaranties that expressly carve out from such guaranty any guaranty of principal, interest, fees or other Indebtedness), including any obligation to supply funds to or in any manner to invest directly or indirectly in a Person, to purchase indebtedness, or to assure the owner of indebtedness against loss through an agreement to purchase goods, supplies or services for the purpose of enabling the debtor to make payment of the indebtedness held by such owner, through indemnity or otherwise, and the obligation to reimburse the issuer in respect of any letter of credit; (d) any obligation as a lessee or obligor under a Capitalized Lease; (e) all reimbursement obligations with respect to letters of credit or similar instruments issued by a Person; and (f) all indebtedness, obligations or other liabilities under or with respect to (i) interest rate swap, collar, cap or similar agreements providing interest rate protection, including, without limitation, any Hedge Agreement and (ii) foreign currency exchange agreements.

<u>Indemnified Taxes</u>. (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

#### Indemnitee. See §16.

Indemnity Agreement. Each Indemnity Agreement Regarding Hazardous Materials, made by Borrower and each Guarantor in favor of Agent and Lenders, pursuant to which such Loan Parties agree to indemnify Agent and Lenders with respect to Hazardous Substances and Environmental Laws, such Indemnity Agreement to be in form and substance satisfactory to Agent, as the same may be amended, restated, consolidated, supplemented or otherwise modified from time to time.

Interest Payment Date. (a) With respect to each Base Rate Loan, the last Business Day of each March, June, September and December, and (b) with respect to each LIBOR Rate Loan, the last day of the Interest Period that is applicable thereto.

Interest Period. With respect to each LIBOR Rate Loan, (a) initially, the period commencing on the Drawdown Date of such Loan and ending one (1), two (2) or three (3) months thereafter, and (b) thereafter, each period commencing on the day following the last day of the immediately preceding Interest Period applicable to such LIBOR Rate Loan and ending on the last day of one of the periods set forth above, as selected by Borrower in a Loan Request or Conversion Request; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) the first day of each Interest Period must be a Business Day.

(ii) if any Interest Period with respect to a LIBOR Rate Loan would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day, unless such Business Day falls in the next calendar month, in which case the Interest Period shall end on the next preceding Business Day; and

(iii) no Interest Period relating to any LIBOR Rate Loan shall extend beyond the Maturity Date.

Investments. With respect to any Person, all shares of capital stock, partnership interests, limited liability company interests or other ownership interests, evidences of Indebtedness and other securities issued by any other Person, all loans, advances, or extensions of credit to, or contributions to the capital of, any other Person, all purchases of the securities or business or integral part of the business of any other Person and commitments to make such purchases and all interests in real property; <u>provided</u>, <u>however</u>, that the term "<u>Investment</u>" shall not include (i) equipment, inventory and other tangible personal property acquired in the ordinary course of business, or (ii) current trade and customer accounts receivable for services rendered in the ordinary course of business and payable in accordance with customary trade terms. In determining the aggregate amount of Investments outstanding at any particular time: (a) the amount of any investment represented as a guaranty shall be taken at not less than the principal amount of the obligations guaranteed and still outstanding; (b) there shall be included as an Investment all interest accrued with respect to Indebtedness constituting an Investment unless and until such interest is paid; (c) there shall be deducted in respect of each such Investment any amount received as a return of capital (but only by repurchase, redemption, retirement, repayment, liquidating dividend or liquidating distribution); (d) there shall not be deducted or increased in respect of any Investment any amounts received as earnings on such Investment, whether as dividends, interest or otherwise, except that accrued interest included as provided in the foregoing clause (b) may be deducted when paid; and (e) there shall not be deducted from, or added to, the aggregate amount of Investments any decrease or increase, respectively, in the value thereof.

ISP. With respect to any Letter of Credit, the "International Standby Practices 1998" published by the Institute of International Banking Law & Practice, Inc. (or such later version thereof as may be in effect at the time of issuance of such Letter of Credit).

<u>Joinder Agreement (Guarantor)</u>. An agreement in the form attached hereto and made a part hereof as <u>Exhibit G</u>, whereby a Person shall become an additional joint and several Guarantor in accordance with §5.1.

LC Application. Any application for a Letter of Credit hereafter made by Borrower to LC Issuer.

LC Conditions. The meaning given to such term in §2.10.

LC Issuer. Regions in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity. Agent may, with the consent of Borrower and the Lender in question, appoint any Lender hereunder as an LC Issuer in place of or in addition to Regions.

LC Obligations. At the time in question, the sum of all Matured LC Obligations plus the maximum amounts that LC Issuer might then or thereafter be called upon to advance under all Letters of Credit then outstanding.

LC Sublimit. \$30,000,000.

Lender Parties. Agent, LC Issuer, Swing Line Lender and all Lenders.

Lenders. Regions (in its capacity as a Lender and as Swing Line Lender hereunder rather than as Agent or LC Issuer), Bank of America and the other lending institutions which are or may become parties to this Agreement, pursuant to §18 hereof, as is defined in the first paragraph of this Agreement.

Letter of Credit. Any standby letter of credit issued by LC Issuer hereunder at the application of Borrower.

Letter of Credit Fee Rate. For any day, the applicable rate per annum set forth in the grid below determined by reference to the Senior Secured Recourse Leverage Ratio as set forth in the most recent Compliance Certificate received by Agent pursuant to §7.4(c) (and prior to the date on which the Compliance Certificate for the fiscal quarter ending June 30, 2017 is due pursuant to §7.4(c), the rate per annum designated as Pricing Level 1 in such grid below)

	Applicable Fee Rate				
Pricing Level	Senior Secured Recourse Leverage Ratio	Letter of Credit Fee			
1	≤ 1.00:1.00	2.75%			
2	$> 1.00:1.00 \text{ but} \le 1.50:1.00$	3.00%			
3	$> 1.50:1.00$ but $\le 2.00:1.00$	3.25%			
4	$> 2.00:1.00 \text{ but} \le 2.50:1.00$	3.50%			
5	> 2.50:1.00	3.75%			

Any increase or decrease in the Letter of Credit Fee Rate resulting from a change in the Senior Secured Recourse Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to §7.4(c); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then Pricing Level 5 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and in each case shall remain in effect until the date on which such Compliance Certificate is delivered.

If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Senior Secured Recourse Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Senior Secured Recourse Leverage Ratio would have resulted in higher Letter of Credit Fee Rate for such period, the Borrower shall immediately and retroactively be obligated to pay to the Agent for the account of the applicable Lenders, promptly on demand by the Agent, an amount equal to the excess of the amount of letter of credit fees that should have been paid for such period over the amount of letter of credit fees actually paid for such period.

Letter of Credit Termination Date. The date that is 7 days prior to the Maturity Date or, if such day is not a Business Day, the next preceding Business Day.

LIBOR Lending Office. Initially, the office of each Lender designated as such in <u>Schedule 1.1</u> hereto; thereafter, such other office of such Lender, if any, that shall be making or maintaining LIBOR Rate Loans.

LIBOR Rate. As applicable to any LIBOR Rate Loan, the rate per annum as determined on the basis of the offered rates for deposits in Dollars, for a period of time comparable to the Interest Period for such LIBOR Rate Loan which appears on the Reuters Screen LIBOR01 Page as of 11:00 a.m. London time on the day that is two (2) LIBOR Business Days preceding the first day of the Interest Period for such LIBOR Rate Loan; provided, however, if the rate described above does not appear on such service on any applicable interest determination date, the LIBOR Rate shall be the rate (rounded upward, if necessary, to the nearest one hundred-thousandth of a percentage point), determined on the basis of the offered rates for deposits in Dollars for a period of time comparable to the Interest Period for such LIBOR Rate Loan which are offered by four (4) major banks in the London interbank market at approximately 11:00 a.m. London time, on the day that is two (2) LIBOR Business Days preceding the first day of the Interest Period for the LIBOR Rate Loan as selected by Agent. The principal London office of each of the four (4) major London banks will be requested to provide a quotation of its Dollar deposit offered rate. If at least two such quotations are provided, the rate for that date will be the arithmetic mean of the quotations. If fewer than two quotations are

provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in Dollars to leading European banks for a period of time comparable to the Interest Period for such LIBOR Rate Loan offered by major banks in New York City at approximately 11:00 a.m. (eastern time), on the day that is two (2) LIBOR Business Days preceding the first day of the Interest Period for the LIBOR Rate Loan. In the event that Agent is unable to obtain any such quotation as provided above, it will be deemed that the LIBOR Rate for a LIBOR Rate Loan cannot be determined and §4.6 shall apply. In such event, the Loan shall bear interest at the Base Rate. In the event that the Board of Governors of the Federal Reserve System shall impose a Reserve Percentage with respect to LIBOR deposits of Agent, then for any period during which such Reserve Percentage shall apply, the LIBOR Rate shall be equal to the amount determined above divided by an amount equal to one (1) minus the Reserve Percentage. In the event the LIBOR Rate shall be less than zero, the LIBOR Rate shall be deemed zero for the purposes of this Agreement.

LIBOR Rate Loans. Those Revolving Loans bearing interest calculated by reference to the LIBOR Rate.

LIBOR Rate Spread. For any day, the applicable rate per annum set forth in the grid below determined by reference to the Senior Secured Recourse Leverage Ratio as set forth in the most recent Compliance Certificate received by Agent pursuant to §7.4(c) (and prior to the date on which the Compliance Certificate for the fiscal quarter ending June 30, 2017 is due pursuant to §7.4(c), the rate per annum designated as Pricing Level 1 in such grid below):

	Applicable Margin				
Pricing Level	Senior Secured Recourse Leverage Ratio	LIBOR Rate Loans			
1	≤ 1.00:1.00	2.75%			
2	$> 1.00:1.00$ but $\le 1.50:1.00$	3.00%			
3	$> 1.50:1.00$ but $\le 2.00:1.00$	3.25%			
4	$> 2.00:1.00 \text{ but} \le 2.50:1.00$	3.50%			
5	> 2.50:1.00	3.75%			

Any increase or decrease in the LIBOR Rate Spread resulting from a change in Senior Secured Recourse Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to §7.4(c); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section, then

Pricing Level 5 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and in each case shall remain in effect until the date on which such Compliance Certificate is delivered.

If, as a result of any restatement of or other adjustment to the financial statements of the Borrower or for any other reason, the Borrower or the Lenders determine that (i) the Senior Secured Recourse Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Senior Secured Recourse Leverage Ratio would have resulted in higher LIBOR Rate Spread for such period, the Borrower shall immediately and retroactively be obligated to pay to the Agent for the account of the applicable Lenders, promptly on demand by the Agent, an amount equal to the excess of the amount of interest that should have been paid on LIBOR Rate Loans for such period over the amount of interest actually paid on LIBOR Rate Loans for such period.

Liens. See §8.2.

Loan Documents. Collectively, this Agreement, the Notes, the Security Documents, the Letters of Credit, the LC Applications, the Hedge Agreements, and all other documents, instruments or agreements now or hereafter assumed, executed or delivered by or on behalf of Borrower or any other Loan Party in favor of the Agent or the Lenders in connection with the Loans, as the same may be amended, modified, renewed, extended, consolidated, supplemented or restated from time to time.

Loan Parties. Collectively, Borrower and Guarantors, any of which may be sometimes referred to individually as a Loan Party.

Loans. The Revolving Loans and the Swing Line Loans.

<u>Master Intercreditor Agreement</u>. That certain Master Intercreditor Agreement dated as of November 24, 2014 among (i) MGP/UPS Credit Facility Agent, on behalf of the lender parties under the MGP/UPS Credit Facility, (ii) Borrower, as payee under the CMGI Intercompany Note, and (iii) Agent, on behalf of the Lender Parties.

<u>Material Adverse Effect</u>. A materially adverse effect on (a) the business, assets, liabilities, condition (financial or otherwise), or results of operations of the Loan Parties, (b) the ability of any Loan Party to perform its obligations under the Loan Documents to which it is a party, (c) the validity or enforceability of any of the Loan Documents, or (d) the rights, benefits or interests of Lenders, LC Issuer and Agent in and to this Agreement, any other Loan Document or the Collateral.

<u>Material Contract</u>. Any contract or other arrangement to which Borrower or any Restricted Subsidiary is a party (other than the Loan Documents) with respect to or otherwise involving any Borrowing Base Asset.

<u>Matured LC Obligations</u>. All amounts paid by LC Issuer on drafts or demands for payment drawn or made under or purported to be drawn on any Letter of Credit and all other amounts due and owing to LC Issuer under any LC Application for any Letter of Credit, to the extent the same have not been repaid to LC Issuer (with the proceeds of Loans or otherwise).

<u>Maturity Date</u>. July 28, 2022 (or such earlier Springing Maturity Date), or such earlier date on which the Loans shall become due and payable pursuant to the terms hereof. As used herein, "<u>Springing Maturity Date</u>" means the first date on or after February 28, 2020 that both (i) the outstanding principal amount of the Senior Unsecured Convertible Notes exceeds \$28,750,000 and (ii) Borrower's unrestricted cash liquidity (including, for purposes of this definition, the undrawn portion of the Borrowing Base that is then available for borrowing) is less than the sum of (x) the outstanding principal amount of the Senior Unsecured Convertible Notes <u>plus</u> (y) \$5,000,000).

MGP. MoGas Pipeline LLC, a Delaware limited liability company and, prior to the consummation of the MGP Equity Sale, a wholly-owned Subsidiary of CMGI, and its successors and assigns.

MGP Equity Sale. Following the distribution of the MGP Pipeline to CMGI, and subject to FERC approval, the proposed sale by CMGI to the MGP Pipeline Lessee/Operator of all of the Equity Interests in MGP and the contemporaneous execution of the MGP Pipeline Lease.

MGP Pipeline. The fee, leasehold, easement, right-of-way and/or other real property interests, together with all improvements thereon, of MGP with respect to the approximately 263-mile natural gas pipeline in Missouri and Illinois owned and operated by MGP.

MGP Pipeline Lease. An operating lease between CMGI, as lessor, and MGP Pipeline Lessee/Operator, as lessee, to be entered into in connection with the consummation of the MGP Equity Sale, pursuant to which the MGP Pipeline Lessee/Operator shall, upon the consummation of the MGP Equity Sale, agree to operate the MGP Pipeline, as modified and amended.

MGP Pipeline Lessee/Operator. The purchaser under the MGP Equity Sale, in its capacity as lessee and operator of the MGP Pipeline pursuant to the MGP Pipeline Lease.

MGP/UPS Credit Facility. The revolving credit facility under that certain Revolving Credit Agreement dated as of November 24, 2014 among MGP and UPS, as co-borrowers, MGP/UPS Credit Facility Agent, and the lenders thereunder, as amended by that certain First Amendment to Revolving Credit Agreement dated as of July 8, 2015 and that certain Second Amendment to Revolving Credit Agreement dated as of July 28, 2017.

MGP/UPS Credit Facility Agent. Regions, as agent under the MGP/UPS Credit Facility.

Moody's. Moody's Investors Service, Inc.

<u>Mowood (Omega) System</u>. The fee, leasehold, easement, right-of-way and/or other real property interests, together with all improvements thereon, of Omega Pipeline Company, LLC, a wholly-owned Subsidiary of Borrower, with respect to the 70-mile Mowood pipeline distribution system located on Fort Leonard Wood military post in south-central Missouri.

<u>Mowood (Omega) System Contract</u>. The long term contract dated January 31, 2005 between the U.S. Department of Defense and Pipeline Company, LLC], regarding the provision of natural gas and gas distribution services by Omega Pipeline Company, LLC to Fort Leonard Wood via the Mowood (Omega) System.

Mortgage. Each mortgage, deed of trust, deed to secure debt or similar instrument from a Loan Party in favor of Agent for the benefit of Lenders, whether now existing or hereafter entered into, as modified, amended, supplemented or restated from time to time, pursuant to which such Loan Party shall have conveyed or granted a mortgage lien upon or security title to an Eligible Asset, and assigned Eligible Leases with respect thereto, as security for the Obligations, such document to be in form and substance satisfactory to Agent.

<u>Mortgage Assignment</u>. Each Collateral Assignment of Note and Mortgage executed by a Loan Party in favor of Agent for the benefit of Lenders granting a first priority security interest in an Eligible Mortgage, together with a Consent and Estoppel Agreement between the mortgagor under such Eligible Mortgage and such Loan Party, each in form and substance satisfactory to Agent.

Mortgaged Property. Any owned real property of Loan Party that is encumbered by a Mortgage.

<u>Multiemployer Plan</u>. Any multiemployer plan within the meaning of §3(37) of ERISA to which Borrower or any ERISA Affiliate is making, or is required to make, contributions.

<u>Net Income</u>. With respect to Borrower and its Subsidiaries for any fiscal period, the Consolidated net income (or deficit) of Borrower and its Subsidiaries, after deduction of all expenses, taxes and other property charges, and after eliminating earnings or losses attributable to outstanding minority interests.

Net Worth. Borrower's stockholder's equity.

Non-Consenting Lender. See §18.8.

<u>Non-Recourse Debt</u>. Any Indebtedness of any Unrestricted Subsidiary, in each case in respect of which the holder or holders thereof shall have no direct or indirect recourse (including by way of guaranty, support, letter of credit, collateral pledge or indemnity, other than a non-recourse pledge of such Unrestricted Subsidiary's Equity Interests) to the Borrower or any Restricted Subsidiary or to any of the property of the Borrower or any Restricted Subsidiary, whether for principal, interest, fees, expenses or otherwise.

Notes. The Revolving Notes and the Swing Line Notes.

Notice. See §19.

Obligations. All indebtedness, obligations and liabilities of Borrower and Guarantors to any of Lenders, LC Issuer and Agent, individually or collectively, under this Agreement or any of the other Loan Documents (including all LC Obligations) or in respect of any of the Loans or the Notes, or other instruments at any time evidencing any of the foregoing, whether existing on the date of this Agreement or arising or incurred hereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise (including, without limitation, advances made by Agent to protect or preserve the Collateral or the security interests therein), and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under the United States Bankruptcy Code or other similar federal or State law, naming such Person as the debtor in such proceeding, regardless of whether or not such interest and fees are allowed claims in such proceeding, provided, however, Obligations (whether used herein or incorporated in another Loan Document by reference) shall not include any Excluded Swap Obligations for purposes of determining the indebtedness, obligations or liabilities guaranteed by, or secured by a Lien granted by, any Guarantor. To the extent this definition of "Obligations" is referenced in any Security Document, the definition shall also include any Indebtedness, obligations and liabilities of Borrower under any and all Hedge Agreements but shall not include any Excluded Swap Obligations.

OFAC. The Office of Foreign Assets Control of the U.S. Department of the Treasury.

### Operating Account. See §5.2.

<u>Organizational Document</u>. With respect to any Person other than a natural person, its articles or certificate of incorporation, formation or organization, partnership agreement, operating agreement, by-laws and all shareholder agreements, voting trusts and similar arrangements applicable to any of its authorized Equity Interests.

Other Connection Taxes. With respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

Other Taxes. all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to §4.10).

<u>Outstanding</u>. With respect to (a) the Loans, the aggregate unpaid principal thereof and (b) with respect to Letters of Credit, the LC Obligations, in each case as of any date of determination.

Patriot Act Customer Identification Process. That certain customer identification and review process established by Agent pursuant to the requirements of 31 U.S.C. §5318(1) and 31 C.F.R. §103.121 to verify the identity of all permitted transferees of interests in Borrower and any assignees of a portion of the Loan hereunder.

<u>PBGC</u>. The Pension Benefit Guaranty Corporation created by §4002 of ERISA and any successor entity or entities having similar responsibilities.

<u>Percentage</u>. With respect to each Lender, the percentage set forth on <u>Schedule 1.1</u> hereto as such Lender's percentage of the aggregate Revolving Commitments of all of Lenders.

Permitted Liens. Liens, security interests and other encumbrances permitted by §8.2.

<u>Person</u>. Any individual, corporation, partnership, limited liability company, trust, unincorporated association, business, or other legal entity, and any government or any governmental agency or political subdivision thereof.

Pinedale. Pinedale Corridor, LP, a Delaware limited partnership.

<u>Pinedale EBITDA</u>. "EBITDA", substituting "Pinedale" for each reference to "Borrower" therein and in each constituent definition contained or referred to therein.

<u>Pinedale Term Loan Facility</u>. That certain Term Credit Agreement dated December 7, 2012 among Pinedale, as borrower, Borrower (as assignee of KeyBank National Association), as a lender and agent, and the other lenders party thereto.

Plan Assets. Assets of any Employee Benefit Plan subject to Part 4, Subtitle A, Title I of ERISA.

Platform. IntraLinks/IntraAgency, SyndTrak or another similar website or other information platform.

Pledged Deposit Accounts. The Advance Account and the Operating Account.

<u>Principal Financial Officer</u>. The primary officer or the authorized agent of Borrower responsible for the preparation and certification of financial statements.

Qualified ECP Guarantor. With respect to any Swap Obligation, each Guarantor that has total assets exceeding 10,000,000 at the time the relevant Guaranty Agreement or grant of the relevant Lien becomes effective with respect to such Swap Obligation or such other Person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

Recipient. Agent, any LC Issuer and any Lender, as applicable.

<u>Record</u>. The grid attached to any Note, or the continuation of such grid, or any other similar record, including computer records, maintained by Agent with respect to any Loan referred to in such Note.

Regions. Regions Bank.

Register. See §18.2.

REIT Status. A Person's qualification as a real estate investment trust under the Code.

<u>Related Fund</u>. With respect to any fund that invests in loans, any other fund that invests in loans that is managed by the same investment advisor as such Lender or by an Affiliate of such Lender or such investment advisor.

<u>Related Parties</u>. With respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

Release. See §6.18(c) (iii).

<u>Required Lenders</u>. As of any date, not less than two (2) Lenders (not including any Defaulting Lender which shall not be entitled to vote) whose aggregate Percentage exceeds fifty percent (50%).

<u>Requirements</u>. Any applicable federal or state law or governmental regulation, or any local ordinance, order or regulation, including but not limited to laws, regulations, or ordinances relating to zoning, building use and occupancy, subdivision control, fire protection, health, sanitation, safety, handicapped access, historic preservation and protection, tidelands, wetlands, flood control and Environmental Laws, including without limitation, the Americans With Disabilities Act or any state laws regarding disability requirements, or any lease, agreement, covenant or instrument to which any Eligible Asset may be subject.

Reserve Percentage. As of any date, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed on member banks of the Federal Reserve System against "Euro-currency Liabilities" as defined in Regulation D. The LIBOR Rate for each outstanding LIBOR Rate Loan shall be adjusted automatically as of the effective date of any change in the Reserve Percentage.

Restricted Subsidiary. Each Subsidiary of the Borrower that is not an Unrestricted Subsidiary.

Revolving Commitment. With respect to each Lender, the amount set forth on <u>Schedule 1.1</u> hereto as the amount of such Lender's Revolving Commitment to make or maintain Revolving Loans, participate in Swing Line Loans to Borrower and participate in Letters of Credit, as the same may be changed from time to time in accordance with the terms of §2.8 of this Agreement. As of the Second Amendment Closing Date the aggregate Revolving Commitments are \$160,000,000.

Revolving Loan Request. See §2.5.

Revolving Loans. Collectively, the aggregate Loans to be made by Lenders under §2.1(a) under the Revolving Commitment.



<u>Revolving Notes</u>. See §2.2(a).

S&P. Standard & Poor's Ratings Service, a division of The McGraw-Hill Companies.

Sanctions Laws and Regulations. Economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

SEC. United States Securities and Exchange Commission.

Second Amendment That certain Second Amendment to Amended and Restated Credit Agreement dated July 28, 2017 among the Borrower, Administrative Agent and the Lenders party thereto.

Second Amendment Closing Date. The "Effective Date" as such term is defined in the Second Amendment.

Security Agreement. Security Agreement dated September 26, 2014 executed by the Loan Parties in favor of Agent for the benefit of Lenders granting a security interest in all personal property assets of the Loan Parties, as modified, amended, supplemented or restated from time to time.

Security Documents. Collectively, the Mortgages, the Security Agreement, the Assignments of Lease, the Mortgage Assignments, the CMGI Intercompany Note Documents, the Collateral Assignment (CMGI Note), the Master Intercreditor Agreement and any further security documents now or hereafter delivered by Borrower or a Guarantor to Agent for the benefit of Lenders, including, without limitation, UCC-1 financing statements filed or recorded in connection therewith, as each may be further amended, modified, renewed, consolidated, supplemented or extended, from time to time.

Senior Secured Recourse Debt. As of any date of determination, an amount equal to secured Total Recourse Funded Debt.

Senior Secured Recourse Leverage Ratio. For any Test Period, the ratio of (i) Senior Secured Recourse Debt as of the end of such period to (ii) Adjusted EBITDA of Borrower and its Subsidiaries on a Consolidated basis for such period.

Senior Unsecured Convertible Notes. Those certain 7.00% Convertible Senior Notes due 2020 issued by Borrower under the Senior Unsecured Convertible Note Indenture in the original principal amount of \$115,000,000.

Senior Unsecured Convertible Note Indenture. That certain Indenture dated June 29, 2015 between Borrower and Computershare Trust Company, N.A., as registrar, paying agent and conversion agent, and Computershare Trust Company, N.A., as trustee, as supplemented by a Supplemental Indenture dated June 29, 2015, governing the Senior Unsecured Convertible Notes.

State. A state of the United States of America, or the District of Columbia.

Subsequent Lender. See §2.8.

Subsidiary. Any corporation, association, partnership, limited liability company, trust or other business or legal entity of which the designated parent shall at any time own, directly or indirectly through a Person or Persons, a greater than fifty percent (50%) ownership interest.

Swap Obligation. With respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

Swing Line Lender. Regions, in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

Swing Line Loan Request. See §2.16.

Swing Line Loans. See §2.16(a).

Swing Line Notes. See §2.16(a).

Swing Line Sublimit. \$5,000,000. The Swing Line Sublimit is part of, and not in addition to, the Revolving Commitments.

<u>Taxes</u>. All present or future taxes, levies, imposts, duties, deductions, withholdings, (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

<u>Test Period</u>. The immediately preceding four (4) fiscal quarters then ended.

<u>Title Insurance Company</u>. A title insurance company of nationally recognized standing selected by Borrower and reasonably satisfactory to Agent.

<u>Title Policy</u>. With respect to each Eligible Asset, an ALTA Standard Loan Policy Form 2006, with ALTA Endorsement Form 1 Coverage (or if such form is not available, an equivalent form of or legally promulgated form of mortgagee title insurance policy reasonably acceptable to Agent), issued by the Title Insurance Company (with such reinsurance or co-insurance as the Agent may require, any such reinsurance to be with direct access endorsements to the extent available under applicable law) in such amount as the Agent may reasonably require insuring the priority of the Mortgage and that the applicable Loan Party holds good and marketable fee simple title to such parcel, subject only to the encumbrances permitted by the Mortgage and which shall not contain standard exceptions for mechanics' liens, persons in occupancy or matters which would be shown by a survey, shall not insure over any matter except to the extent that any such affirmative insurance is acceptable to the Agent in its sole discretion; and shall contain such endorsements and affirmative insurance with respect to the specific circumstances of the Eligible Asset as the Agent reasonably may require.

Total Assets. All assets of a Person determined in accordance with GAAP.

<u>Total Funded Debt</u>. As of any date of determination, an amount equal to one hundred percent (100%) of all Funded Debt of Borrower and its Subsidiaries; <u>provided</u>, with respect to Funded Debt of any Subsidiary that is not a wholly-owned Subsidiary of Borrower, the amount of such Funded Debt shall for purposes of such determination be deemed to be the amount of such Funded Debt <u>times</u> Borrower's and its wholly-owned Subsidiaries' percentage ownership of Equity Interests in such Subsidiary.

<u>Total Funded Debt to Capitalization Percentage</u>. As of the last day of any fiscal quarter, the percentage result of (a) Total Funded Debt as of the last day of such fiscal quarter divided by (b) the sum of (i) Net Worth of Borrower as of the last day of such fiscal quarter <u>plus</u> (ii) Total Funded Debt as of the last day of such fiscal quarter.

<u>Total Leverage Ratio</u>. For any Test Period, the ratio of (i) Total Funded Debt as of the end of such period to (ii) EBITDA of Borrower and its Subsidiaries on a Consolidated basis for such period.

<u>Total Recourse Funded Debt</u>. As of any date of determination, an amount equal to Total Funded Debt <u>minus</u> Non-Recourse Debt; provided, with respect to Non-Recourse Debt of any Subsidiary that is not a wholly-owned Subsidiary of Borrower, the amount of such Non-Recourse Debt shall for purposes of this determination be deemed to be the amount of such Non-Recourse Debt times Borrower's and its wholly-owned Subsidiaries' percentage ownership of Equity Interests in such Subsidiary.

Type. As to any Revolving Loan, its nature as a Base Rate Loan or a LIBOR Rate Loan.

Unrestricted Subsidiary. Pinedale, Pinedale GP Inc., a Delaware corporation, Mowood, LLC, a Delaware limited liability company, Omega Pipeline Company, LLC, a Delaware limited liability company, Black Bison Water Services LLC, a Delaware limited liability company, or any other Subsidiary of the Borrower designated as such on Schedule 6.1(b) or which the Borrower has designated in writing to Agent to be an Unrestricted Subsidiary pursuant to §8.10.

<u>UPS</u>. United Property Systems, LLC, a Delaware limited liability company and a wholly-owned Subsidiary of CMGI, and its successors and assigns.

<u>Willbridge Terminal Facility</u>. The fee, leasehold, easement, right-of-way and/or other real property interests, together with all improvements thereon owned by LCP Oregon Holdings, LLC, a wholly-owned Subsidiary of Borrower, with respect to the Willbridge petroleum products terminal facility located in Portland, Oregon.

<u>Willbridge Terminal Facility Lease</u>. That certain Lease dated January 28, 2014 between Arc Terminals Holdings LLC, as Lessee, and LCP Oregon Holdings, LLC, as Lessor, covering the Willbridge Terminal Facility.

Withholding Agent. Borrower and Agent.

<u>Write-Down and Conversion Powers</u>. With respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

## §1.2 Rules of Interpretation.

(a) A reference to any document or agreement shall include such document or agreement as amended, modified or supplemented from time to time in accordance with its terms and the terms of this Agreement.

(b) The singular includes the plural and the plural includes the singular.

(c) A reference to any law includes any amendment or modification to such law.

(d) A reference to any Person includes its permitted successors and permitted assigns.

(e) Accounting terms not otherwise defined herein have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer.

(f) The words "include", "includes" and "including" are not limiting.

(g) The words "approval" and "approved" as the context so determines, means an approval in writing given to the party seeking approval after full and fair disclosure to the party giving approval of all material facts necessary in order to determine whether approval should be granted.

(h) All terms not specifically defined herein or by GAAP, which terms are defined in the Uniform Commercial Code as in effect in the State of New York, have the meanings assigned to them therein.

(i) Reference to a particular "§", refers to that section of this Agreement unless otherwise indicated.

(j) The words "herein", "hereof", "hereunder" and words of like import shall refer to this Agreement as a whole and not to any particular section or subdivision of this Agreement.

(k) All references in this Agreement to "Houston time" shall refer to prevailing time in Houston, Texas.

# §2. LOANS AND LETTERS OF CREDIT

### §2.1 Revolving Commitment.

Subject to the terms and conditions set forth in this Agreement, each of the Lenders severally agrees to lend to Borrower, and Borrower may borrow (and repay and reborrow) from time to time between the Closing Date and the Maturity Date upon notice by Borrower to Agent given in accordance with §2.5, such sums as are requested by Borrower for the purposes set forth in §2.7 up to a maximum aggregate principal amount outstanding (after giving effect to all amounts requested) at any one time equal to the lesser of (i) such Lender's Revolving Commitment minus such Lender's Percentage of Outstanding Swing Line Loans and Letters of Credit, and (ii) such Lender's Percentage of the Borrowing Base minus (A) such Lender's Percentage of Outstanding Swing Line Loans and Letters of Credit, minus (B) such Lender's Percentage of the outstanding principal amount of the loans under the MGP/UPS Credit Facility; provided, that, in all events no Default or Event of Default shall have occurred and be continuing, or shall result therefrom. The Revolving Loans shall be made pro rata in accordance with each Lender's Percentage. Each request for a Revolving Loan hereunder shall constitute a representation and warranty by Borrower that all of the conditions set forth in §10 and §11, as applicable, have been satisfied on the date of such request. No Lender shall have any obligation to make Revolving Loans to Borrower in an aggregate principal amount outstanding which exceeds such Lender's Revolving Commitment

## §2.2 <u>Revolving Notes</u>.

If requested by a Lender, the Revolving Loans of such Lender shall be evidenced by a separate revolving credit promissory note of Borrower in favor of such Lender in substantially the form of Exhibit A hereto (such notes and any substitute or replacement notes therefor, the "<u>Revolving Notes</u>"). A Revolving Note shall be payable to each Lender in the principal face amount equal to such Lender's Revolving Commitment. Each such Revolving Note shall be issued by Borrower to the applicable Lender and shall be duly executed and delivered by an authorized officer of Borrower. Borrower irrevocably authorizes Agent to make or cause to be made, at or about the time of the Drawdown Date of any Revolving Loan or the time of receipt of any payment of principal thereof, an appropriate notation on Agent's Record reflecting the making of such Revolving Loan or the receipt of such payment. The Outstanding amount of the Revolving Loans set forth on Agent's Record shall be prima facie evidence of the principal amount thereof owing and unpaid to each Lender, but the failure to record, or any error in so recording, any such amount on Agent's Record shall not limit or otherwise affect the obligations of Borrower, hereunder or under any Revolving Note to make payments of principal of or interest on any Revolving Note when due.

#### §2.3 Interest on Loans.

(a) Each LIBOR Rate Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the sum of (A) the LIBOR Rate, plus (B) the LIBOR Rate Spread; and

(b) Each Base Rate Loan shall bear interest commencing with the Drawdown Date thereof until repayment or conversion to a LIBOR Rate Loan at a rate per annum equal to the sum of (A) the Base Rate, plus (B) the Base Rate Spread.

- (c) Borrower promises to pay interest on the Loans in arrears on each Interest Payment Date with respect thereto.
- (d) Base Rate Loans and LIBOR Rate Loans may be converted to Loans of the other Type as provided in §4.1.

## §2.4 Unused Facility Fee.

Borrower agrees to pay to Agent for the account of the Lenders in accordance with their respective Percentages an unused facility fee (the "Facility Fee") calculated at the rate of one-half of one percent (0.50%) per annum on the average daily amount by which the aggregate Revolving Commitments from time to time exceed the Outstanding Revolving Loans and LC Obligations during each fiscal quarter or portion thereof commencing on the Closing Date and ending on the Maturity Date. For the avoidance of doubt, the Outstanding Swing Line

Loans shall not be counted towards or considered for purposes of determining such Facility Fee. The Facility Fee shall be payable quarterly in arrears on the last Business Day of each March, June, September and December for the immediately preceding quarter, with a final payment due and payable on the Maturity Date. Any payment due under this Section shall be prorated for any partial fiscal quarter. The Facility Fee shall be fully earned when due and non-refundable when paid.

## §2.5 Requests for Revolving Loans.

Borrower shall give to Agent written notice in the form of Exhibit D hereto (or telephonic notice confirmed in writing in the form of Exhibit D hereto) of the Revolving Loan (the "Revolving Loan Request") by 11:00 a.m. (Houston time) on the Business Day prior to the proposed Drawdown Date with respect to Base Rate Loans and three (3) Business Days prior to such Drawdown Date with respect to LIBOR Rate Loans. Such notice shall specify the Type of Revolving Loan, the initial Interest Period (if applicable) and the Drawdown Date. Such notice shall also contain a statement that the conditions to borrowing set forth in §§10 and 11 hereof, as applicable, have been satisfied. Promptly upon receipt of any such notice, Agent shall notify each of Lenders thereof. Such Revolving Loan Request shall be irrevocable and binding on Borrower and shall obligate Borrower to accept the Revolving Loan requested from Lenders on the proposed Drawdown Date. Each Revolving Loan Request shall be (a) for a Base Rate Loan in a minimum aggregate amount of \$250,000 or an integral multiple of \$50,000 in excess thereof; or (b) for a LIBOR Rate Loan in a minimum aggregate amount of \$250,000 or an integral multiple of \$50,000 in excess thereof; provided, however, that there shall be no more than six (6) unique Interest Periods for Outstanding Revolving Loans that are LIBOR Rate Loans at any one time.

# §2.6 Funds for Revolving Loans.

(a) Not later than 1:00 p.m. (Houston time) on the proposed Drawdown Date of any Revolving Loans, each Lender will make available to Agent, at Agent's Office, in immediately available funds, the amount of such Lender's Percentage of the amount of the requested Revolving Loans which may be disbursed pursuant hereto. Upon receipt from each Lender of such amount, and upon receipt of the documents required by §10 (in the case of Revolving Loans to be made on the Closing Date only) and §11 and the satisfaction of the other conditions set forth therein, to the extent applicable, Agent will make available to Borrower the aggregate amount of such Revolving Loans made available to Agent by Lenders by crediting such amount to the Advance Account. The failure or refusal of any Lender to make available to Agent at the aforesaid time and place on any Drawdown Date the amount of its Percentage of the requested Revolving Loans shall not relieve any other Lender from its several obligation hereunder to make available to Agent the amount of such other Lender's Percentage of any requested Revolving Loans, including any additional Revolving Loans that may be requested subject to the terms and conditions hereof to provide funds



to replace those not advanced by the Lender so failing or refusing. In the event of any such failure or refusal, the Lenders not so failing or refusing shall be entitled to a priority secured position as against the Lender or Lenders so failing or refusing to make available to Borrower the amount of its or their Percentage for such Revolving Loans as provided in §12.5.

(b) Unless Agent shall have been notified by any Lender prior to the applicable Drawdown Date that such Lender will not make available to Agent such Lender's Percentage of a proposed Revolving Loan, Agent may in its discretion assume that such Lender has made such Revolving Loan available to Agent in accordance with the provisions of this Agreement and Agent may, if it chooses, in reliance upon such assumption make such Revolving Loan available to Borrower, and such Lender shall be liable to Agent for the amount of such advance. If such Lender does not pay such corresponding amount upon Agent's demand therefor, Agent will promptly notify Borrower, and Borrower shall promptly pay such corresponding amount to Agent. Agent shall also be entitled to recover from the Lender or Borrower, as the case may be, interest on such corresponding amount in respect of each day from the date such corresponding amount was made available by Agent to Borrower to the date such corresponding amount is recovered by Agent at a per annum rate equal to (i) from Borrower at the applicable rate for such Revolving Loan or (ii) from a Lender at the Federal Funds Effective Rate.

#### §2.7 Use of Proceeds.

Borrower will use the proceeds of the Loans solely (a) to refinance existing indebtedness; (b) to refinance or Cash Collateralize Matured LC Obligations; (c) to pay fees and expenses incurred in connection with the documentation of this Agreement and with the initial Loans under this Agreement; (d) to fund Borrower's working capital and general corporate needs; (e) to fund property acquisitions, and (f) for such other purposes as may be approved in writing by the Required Lenders. Borrower shall use all Letters of Credit for its and its Subsidiaries lawful business purposes. Borrower and its Subsidiaries shall not, and, to their knowledge, their respective officers, employees, directors and agents (in their capacity as officers, employees, directors or agents, respectively, of Borrower or any of its Subsidiaries), shall not, use the proceeds of any Loan (i) to fund any activities or business of or with any Designated Person, or in any country or territory, that at the time of such funding is the subject of any sanctions under any Sanctions Laws and Regulations (on the Second Amendment Closing Date, Burma, Cote d'Ivoire, Cuba, Iran, North Korea and Syria), (ii) in any other manner that would result in a material violation of any Sanctions Laws and Regulations by Borrower or its Subsidiaries or (iii) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws.

# §2.8 Increase in Revolving Commitment.

At any time prior to the Maturity Date, Borrower may, at its option and subject to the conditions set forth below in this §2.8, from time to time request that Agent increase the aggregate Revolving Commitments by (i) admitting additional Lenders hereunder (each a "Subsequent Lender") and/or (ii) increasing the Revolving Commitment of any Lender (each an "Increasing Lender") subject to the following conditions:

(a) each Subsequent Lender shall meet the conditions for an Eligible Assignee and be subject to the approval of Agent, LC Issuer and Swing Line Lender;

(b) if requested by the applicable Lender, Borrower executes new Revolving Notes payable to the order of each Subsequent Lender, or a new or replacement Revolving Note payable to the order of each Increasing Lender;

(c) (i) each Subsequent Lender executes and delivers to Agent a signature page to this Agreement evidencing its agreement to be bound as a Lender hereunder, (ii) each Increasing Lender executes and delivers to Agent an acknowledgement of its increased Revolving Commitment, (iii) each Subsequent Lender or Increasing Lender shall contemporaneously agree to purchase a portion of the commitments and outstanding loans from other Lenders or increase its commitment and loans under the MGP/UPS Credit Facility such that each Subsequent Lender and Increasing Lender shall have an identical Percentage hereunder and "Commitment Percentage" (as defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility;

(d) Borrower and Agent shall have executed new Security Documents and/or modifications of the Security Documents and other Loan Documents to reflect the increase in the Revolving Commitments and Borrower shall have paid to Agent any and all documentary stamp tax, non-recurring intangible tax or other taxes imposed in connection with the recording of such modifications of the Security Documents or increase in the Revolving Commitment amount and Agent shall be provided with evidence satisfactory to it that all Liens in favor of Agent are and remain first priority Liens;

(e) after giving effect to the admission of any Subsequent Lender or the increase in the Revolving Commitment of any Increasing Lender: (i) the sum of all Revolving Commitments does not exceed \$235,000,000, (ii) each Lender under this Agreement shall have (A) an identical Percentage of the Revolving Commitment and the Revolving Loans, and (B) an identical "Percentage" hereunder and "Commitment Percentage" (as defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility, and (iii) the Borrower, Agent and Lenders shall make assignments and assumptions of the Outstanding Revolving Loans (but not any interest accrued thereon prior to such increase), including the borrowing of additional Revolving Loans and/or repayment of outstanding Revolving Loans, as may be necessary to effect the foregoing;

(f) each increase in the total Revolving Commitments shall be approved by the Agent and shall be in the amount of at least \$10,000,000;

(g) all of the representations and warranties of Borrower and Guarantors in the Loan Documents shall be true and correct in all material respects as of the effective date of the increase in the total Revolving Commitment (or if such representations and warranties by their terms relate solely to an earlier date, then as of such earlier date);

(h) no Default or Event of Default exists or would result therefrom;

(i) no Lender, including, but not limited to Regions, shall be an Increasing Lender without the written consent of such Lender, and shall be subject to the approval of Agent, LC Issuer and Swing Line Lender;

(j) Borrower shall have delivered to Agent a Compliance Certificate setting forth in reasonable detail computations evidencing compliance, on a proforma basis giving effect to the Revolving Commitment increase, with the covenants contained in §9; and

(k) Borrower shall have executed such other modifications and documents and made such other deliveries as Agent may reasonably require to evidence and effectuate such new or increased Revolving Commitments and shall pay or reimburse Agent and Agent's Special Counsel for all reasonable fees (including any fees specified in the Agreement Regarding Fees), expenses and costs in connection with the foregoing and Borrower shall also pay such Loan fees and placement fees, if any, as may be agreed for such increase in the Revolving Commitments.

After adding the Revolving Commitment of any Increasing Lender or Subsequent Lender, Agent shall promptly provide each Lender and Borrower with a new <u>Schedule 1.1</u> to this Agreement (and each Lender acknowledges that its Percentage under <u>Schedule 1.1</u> and allocated portion of the Outstanding Revolving Loans will change in accordance with its *pro rata* share of the increased Revolving Commitments). Unless and until the total Revolving Commitments have been increased in accordance with this §2.8, Borrower shall not be permitted any disbursement beyond the amount of the Revolving Commitments in effect immediately prior to such proposed increase.

### §2.9 Reduction and Termination of Revolving Commitments.

(a) Borrower shall have the right at any time and from time to time upon five (5) Business Days' prior written notice to Agent to reduce by \$1,000,000 or an integral multiple of \$1,000,000 in excess thereof (provided that in no event shall the aggregate Revolving Commitments be reduced in such manner to an amount less than the greatest of (i) \$10,000,000, (ii) the LC Sublimit and (iii) the Swing Line Sublimit) whereupon the Revolving Commitments of Lenders shall be reduced *pro rata* in accordance with their respective Percentages of the amount specified in such notice, any such reduction to be without penalty except as otherwise set forth in §4.8. Promptly

after receiving any notice from Borrower delivered pursuant to this §2.9(a), Agent will notify Lenders of the substance thereof. Upon the effective date of any such reduction, Borrower shall pay to Agent for the respective accounts of Lenders the amount, if any, by which the then Outstanding Revolving Loans exceed the Revolving Commitments of all Lenders as so reduced and the full amount of the Facility Fee under §2.4 then accrued on the amount of the reduction. No reduction of the Revolving Commitments may be reinstated.

(b) Borrower shall have the right at any time upon five (5) Business Days prior written notice to Agent to terminate the Revolving Commitments of Lenders to make any Loans under this Agreement. Upon the effective date of such termination, Borrower shall pay in full the principal and interest on the Outstanding Revolving Loans, if any, without penalty except as otherwise set forth in §4.8, and pay the full amount of the Facility Fee under §2.4 then accrued, whereupon this Agreement shall terminate and the obligations of the parties hereto shall terminate except for such obligations that survive termination of this Agreement as specifically provided herein.

### §2.10 Letter of Credit.

Subject to the terms and conditions hereof, Borrower may at any time from time to time between the Closing Date and the Letter of Credit Termination Date request LC Issuer to issue, increase the amount of or otherwise amend or extend, one or more Letters of Credit, provided that, after taking such Letter of Credit into account:

(a) the aggregate amount of the Outstanding Revolving Loans, Swing Line Loans and Letters of Credit does not exceed the lesser of (i) the aggregate Revolving Commitments of all of Lenders and (ii) (A) the Borrowing Base at such time <u>minus</u> (B) the outstanding principal amount of the loans under the MGP/UPS Credit Facility;

(b) the aggregate amount of LC Obligations at such time does not exceed the LC Sublimit;

(c) the expiration date of such Letter of Credit (as extended, if applicable) is prior to the earliest to occur of (i) 12 months after the issuance thereof, and (ii) the Letter of Credit Termination Date;

(d) such Letter of Credit is to be used for general business purposes of the Borrower or any Subsidiary;

(e) such Letter of Credit is not directly or indirectly used to assure payment of or otherwise support any Indebtedness of any Person other than Indebtedness of any Loan Party (for the avoidance of doubt, such Letter of Credit may be used to assure payment of a contractual

obligation of an Unrestricted Subsidiary incurred in the ordinary course of business that does not constitute Indebtedness);

(f) the issuance of such Letter of Credit will be in compliance with all applicable governmental restrictions, policies, and guidelines and will not subject LC Issuer to any cost that is not reimbursable under §4;

- (g) the form and terms of such Letter of Credit are acceptable to LC Issuer in its discretion; and
- (h) all other conditions in this Agreement to the issuance of such Letter of Credit have been satisfied.

LC Issuer will honor any such request if the foregoing conditions (a) through (h) (the "<u>LC Conditions</u>") have been met as of the date of issuance of such Letter of Credit. LC Issuer may choose to honor any such request for any other Letter of Credit but has no obligation to do so and may refuse to issue any other requested Letter of Credit for any reason that LC Issuer in its discretion deems relevant. Notwithstanding anything to the contrary contained herein, LC Issuer shall not at any time be obligated to issue, amend, renew or extend any Letter of Credit if any Lender is at that time a Defaulting Lender, unless LC Issuer has entered into arrangements, including the delivery of Cash Collateral, satisfactory to LC Issuer (in its discretion) with Borrower or such Lender to eliminate LC Issuer's actual or potential Fronting Exposure (after giving effect to §14.5(e)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or that Letter of Credit and all other LC Obligations as to which LC Issuer has actual or potential Fronting Exposure, as it may elect in its discretion.

Borrower may also from time to time between the Closing Date and the Letter of Credit Termination Date request that LC Issuer extend the expiration date of an existing Letter of Credit or modify an existing Letter of Credit (other than an increase or extension) and LC Issuer will honor such request if the LC Conditions set forth in subsection (a) through (h) of this §2.10 are met and no Default exists at the time of such request.

LC Issuer shall have at all times the benefits and immunities (i) provided to Agent in §14 with respect to any acts taken or omissions suffered by LC Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and documents pertaining to such Letters of Credit as fully as if the term "Agent" as used in §14 included LC Issuer with respect to such acts or omissions, and (ii) as additionally provided herein with respect to LC Issuer.

## §2.11 Requesting Letters of Credit.

(a) Borrower must make written application for any Letter of Credit or amendment or extension of any Letter of Credit at least
 5 Business Days (or such shorter period as

LC Issuer may in its discretion from time to time agree) before the date on which Borrower desires for LC Issuer to issue such Letter of Credit and such Letter of Credit will be issued on the issue date requested by Borrower provided the LC Conditions for such Letter of Credit have been met as described in §2.10 at least two Business Days prior to such requested issue date as provided in §2.11(b). By making any such written application, unless otherwise expressly stated therein, Borrower shall be deemed to have represented and warranted that the LC Conditions described in §2.10 will be met as of the date of issuance of such Letter of Credit. Each such written application for a Letter of Credit must be made in writing in the form customarily used by LC Issuer, the terms and provisions of which are hereby incorporated herein by reference (or in such other form as may mutually be agreed upon by LC Issuer and Borrower).

(b) Two Business Days after the LC Conditions for a Letter of Credit have been met as described in §2.10 (or if LC Issuer otherwise desires to issue such Letter of Credit earlier), LC Issuer will issue such Letter of Credit at LC Issuer's office in Miami, Florida. If any provisions of any LC Application conflict with any provisions of this Agreement, the provisions of this Agreement shall govern and control. Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with Borrower's instructions or other irregularity, Borrower will immediately notify LC Issuer.

(c) Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, a Subsidiary of Borrower, Borrower shall be obligated to reimburse LC Issuer hereunder for any and all drawings under such Letter of Credit. Borrower hereby acknowledges that the issuance of Letters of Credit for the account of such Subsidiaries inures to the benefit of Borrower, and that Borrower's business derives substantial benefits from the businesses of such Subsidiaries.

Credit.

(d) Unless otherwise expressly agreed in writing by LC Issuer and Borrower, the rules of the ISP shall apply to each Letter of

(e) Unless otherwise agreed by Agent, each LC Issuer shall report in writing to Agent (i) on or prior to each Business Day on which such LC Issuer issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the currencies and face amounts of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), it being understood that such LC Issuer shall not effect any issuance, renewal, extension or amendment resulting in an increase in the aggregate amount of the Letters of Credit issued by it without first obtaining written confirmation from Agent that such increase is then permitted under this Agreement, (ii) on each Business Day on which such LC Issuer makes any payment under any draw made under any Letter of Credit, the date, currency and amount of such payment, (iii) on any Business Day on which Borrower fails to reimburse any Matured LC

Obligation required to be reimbursed to such LC Issuer on such day, the date of such failure and the currency and amount of such Matured LC Obligation, and (iv) on any other Business Day, such other information as Agent shall reasonably request as the Letters of Credit issued by such LC Issuer.

### §2.12 Reimbursement and Participations.

(a) Reimbursement by Borrower. Each Matured LC Obligation shall constitute a loan by LC Issuer to Borrower. Borrower promises to pay to LC Issuer, or to LC Issuer's order, on demand, the full amount of each Matured LC Obligation, together with interest thereon (i) at the rate applicable to Base Rate Loans to and including the first Business Day after such demand is made by LC Issuer and (ii) at the Default Rate applicable to Base Rate Loans on each day thereafter. The obligation of Borrower to reimburse LC Issuer for each Matured LC Obligation shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement (including any LC Application) under all circumstances, including the following: (i) any lack of validity or enforceability of such Letter of Credit or any other agreement or instrument relating thereto; (ii) the existence of any claim, counterclaim, set-off, defense or other right that Borrower may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), LC Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction; (iii) any draft, demand, certificate or other document presented under such Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; or any loss or delay in the transmission or otherwise of any document required in order to make a drawing under such Letter of Credit; (iv) any payment by LC Issuer under such Letter of Credit against presentation of a draft or certificate that does not strictly comply with the terms of such Letter of Credit; or (v) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing. Without limiting the generality of the foregoing, it is expressly agreed that the absolute and unconditional nature of Borrower's obligations under this section to reimburse LC Issuer for each drawing under a Letter of Credit will not be excused by the gross negligence or willful misconduct of LC Issuer. However, the foregoing shall not be construed to excuse LC Issuer from liability to Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable Requirements) suffered by Borrower that are caused by LC Issuer's gross negligence or willful misconduct in determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof.

(b) <u>Letter of Credit Advances</u>. If the beneficiary of any Letter of Credit makes a draft or other demand for payment thereunder then Borrower may, during the interval between the making thereof and the honoring thereof by LC Issuer, request Lenders to make Loans to

Borrower in the amount of such draft or demand, which Loans shall be made concurrently with LC Issuer's payment of such draft or demand and shall be immediately used by LC Issuer to repay the amount of the resulting Matured LC Obligation. Such a request by Borrower shall be made in compliance with all of the provisions hereof, provided that for the purposes of the first sentence of §2.1, the amount of such Loans shall be considered, but the amount of the Matured LC Obligation to be concurrently paid by such Loans shall not be considered.

(c) Participation by Lenders. LC Issuer irrevocably agrees to grant and hereby grants to each Lender, and, to induce LC Issuer to issue Letters of Credit hereunder, each Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from LC Issuer, on the terms and conditions hereinafter stated and for such Lender's own account and risk, an undivided interest equal to such Lender's Percentage of LC Issuer's obligations and rights under each Letter of Credit issued hereunder and the amount of each Matured LC Obligation paid by LC Issuer thereunder. Each Lender unconditionally and irrevocably agrees with LC Issuer that, if a Matured LC Obligation is paid under any Letter of Credit for which LC Issuer is not reimbursed in full by Borrower in accordance with the terms of this Agreement and the related LC Application (including any reimbursement by means of concurrent Loans or by the application of Cash Collateral), such Lender shall (in all circumstances and without set-off or counterclaim) pay to LC Issuer on demand (and Agent may apply Cash Collateral provided for this purpose), in immediately available funds at LC Issuer's address for notices hereunder, such Lender's Percentage of such Matured LC Obligation (or any portion thereof that has not been reimbursed by Borrower). Each Lender's obligation to pay LC Issuer pursuant to the terms of this subsection is irrevocable and unconditional. If any amount required to be paid by any Lender to LC Issuer pursuant to this subsection is paid by such Lender to LC Issuer within 3 Business Days after the date such payment is due, LC Issuer shall in addition to such amount be entitled to recover from such Lender, on demand, interest thereon calculated from such due date at the Federal Funds Effective Rate. If any amount required to be paid by any Lender to LC Issuer pursuant to this subsection is not paid by such Lender to LC Issuer within 3 Business Days after the date such payment is due, LC Issuer shall in addition to such amount be entitled to recover from such Lender, on demand, interest thereon calculated from such due date at the Default Rate applicable to Base Rate Loans.

(d) <u>Distributions to Participants</u>. Whenever LC Issuer has in accordance with this section received from any Lender payment of such Lender's Percentage of any Matured LC Obligation, if LC Issuer thereafter receives any payment of such Matured LC Obligation or any payment of interest thereon (whether directly from Borrower or by application of Cash Collateral or otherwise, and excluding only interest for any period prior to LC Issuer's demand that such Lender make such payment of its Percentage), LC Issuer will distribute to such Lender its Percentage of the amounts so received by LC Issuer; provided, however, that if any such payment received by LC Issuer must thereafter be returned by LC Issuer, such Lender shall return to LC Issuer the portion thereof that LC Issuer has previously distributed to it.

(e) <u>Calculations</u>. A written advice setting forth in reasonable detail the amounts owing under this section, submitted by LC Issuer to Borrower or any Lender from time to time, shall be conclusive, absent manifest error, as to the amounts thereof.

## §2.13 Letter of Credit Fees.

In consideration of LC Issuer's issuance of any Letter of Credit, Borrower agrees to pay (a) to Agent, for the account of all Lenders in accordance with their respective Percentages, a letter of credit issuance fee at a rate equal to the Letter of Credit Fee Rate then in effect (which fee shall be increased by 2.0% per annum during any period in which interest on the Loans accrues at the Default Rate), and (b) unless Regions is the sole Lender, to LC Issuer for its own account, a letter of credit fronting fee at a rate equal to 0.250% per annum times the face amount of such Letter of Credit (but in no event less than \$500 per annum); provided, however, any Letter of Credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to LC Issuer pursuant to \$2.10 shall be payable, to the maximum extent permitted by applicable Requirements, to the other Lenders in accordance with the upward adjustments in their respective Percentages allocable to such Letter of Credit pursuant to \$14.5(e), with the balance of such fee, if any, payable to LC Issuer for its own account. In addition, Borrower will pay to LC Issuer, LC Issuer's customary fees for issuance, amendment and drawing of each Letter of Credit. The letter of credit fee and the letter of credit fronting fee will be calculated on the undrawn face amount of credit custanding on each day at the above-applicable rates and will be due and payable in arrears on the last Business Day of each March, June, September and December and on the Maturity Date.

### §2.14 No Duty to Inquire.

(a) <u>Drafts and Demands</u>. LC Issuer is authorized and instructed to accept and pay drafts and demands for payment under any Letter of Credit without requiring, and without responsibility for, any determination as to the existence of any event giving rise to said draft, either at the time of acceptance or payment or thereafter. LC Issuer is under no duty to determine the proper identity of anyone presenting such a draft or making such a demand (whether by tested telex or otherwise) as the officer, representative or agent of any beneficiary under any Letter of Credit, and payment by LC Issuer to any such beneficiary when requested by any such purported officer, representative or agent is hereby authorized and approved. LC Issuer shall have the right, in its discretion, to decline to accept documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit. Borrower releases each Lender Party from, and agrees to hold each Lender Party harmless and indemnified against, any liability or claim in connection with or arising out of the subject matter of this section, which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any Lender Party, provided only that no Lender Party shall be released from or entitled to indemnification for that portion, if any, of any liability

or claim that is proximately caused by or results from its own individual gross negligence or willful misconduct, as determined in a final judgment.

(b) Extension of Maturity. If the maturity of any Letter of Credit is extended by its terms or by Requirements or governmental action, if any extension of the maturity or time for presentation of drafts or any other modification of the terms of any Letter of Credit is made at the request of any Loan Party, or if the amount of any Letter of Credit is increased at the request of any Loan Party, this Agreement shall be binding upon all Loan Parties with respect to such Letter of Credit as so extended, increased or otherwise modified, with respect to drafts and property covered thereby, and with respect to any action taken by LC Issuer, LC Issuer's correspondents, or any Lender Party in accordance with such extension, increase or other modification.

(c) <u>Transferees of Letters of Credit</u>. If any Letter of Credit provides that it is transferable, LC Issuer shall have no duty to determine the proper identity of anyone appearing as transferee of such Letter of Credit, nor shall LC Issuer be charged with responsibility of any nature or character for the validity or correctness of any transfer or successive transfers, and payment by LC Issuer to any purported transferee or transferees as determined by LC Issuer is hereby authorized and approved, and Borrower releases each Lender Party from, and agrees to hold each Lender Party harmless and indemnified against, any liability or claim in connection with or arising out of the foregoing, which indemnity shall apply whether or not any such liability or claim is in any way or to any extent caused, in whole or in part, by any negligent act or omission of any kind by any Lender Party, provided only that no Lender Party shall be released from or entitled to indemnification for that portion, if any, of any liability or claim that is proximately caused by or results from its own individual gross negligence or willful misconduct, as determined in a final judgment.

### §2.15 Cash Collateral.

(a) <u>Certain Credit Support Events</u>. Upon the request of Agent or LC Issuer (i) if LC Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in a Matured LC Obligation that has not been reimbursed pursuant to §2.12, or (ii) if, as of the Letter of Credit Termination Date, any LC Obligation for any reason remains outstanding, Borrower shall, in each case, immediately Cash Collateralize the then outstanding amount of all LC Obligations. If, after the making of all mandatory prepayments required under §3.2, the outstanding LC Obligations will exceed (x) the Borrowing Base minus (y) the outstanding principal amount of the loans under the MGP/UPS Credit Facility, then in addition to prepayment of the entire principal balance of the Loans required under §3.2, Borrower shall immediately Cash Collateralize the then outstanding LC Obligations in an amount equal to such excess. At any time that there shall exist a Defaulting Lender, immediately upon the request of Agent, Swing Line Lender or LC Issuer, Borrower shall deliver Cash Collateral to Agent in an amount sufficient to cover all Fronting Exposure allocable to such Defaulting Lender (after giving effect to §14.5(e) and any Cash Collateral provided by the Defaulting Lender).

(b) <u>Grant of Security Interest</u>. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked deposit accounts at Agent. Borrower, and to the extent provided by any Lender, such Lender, hereby grants to (and subjects to the control of) Agent, for the benefit of Agent, LC Issuer and the Lenders (including Swing Line Lender), and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for the obligations to which such Cash Collateral may be applied pursuant to §2.15(c). If at any time Agent reasonably determines that Cash Collateral is subject to any right or claim of any Person other than Agent as herein provided, or that the total amount of such Cash Collateral is less than the applicable Fronting Exposure and other obligations secured thereby, Borrower or the relevant Defaulting Lender will, promptly upon demand by Agent, pay or provide to Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency.

(c) <u>Application</u>. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this §2.15 or §2.16, or §§3.2, 2.10, 14.5, or 12.5 in respect of Letters of Credit or Swing Line Loans shall be held and applied to the satisfaction of the specific LC Obligations, Swing Line Loans, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) <u>Release</u>. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or other obligations shall be released promptly following the elimination of the applicable Fronting Exposure or other conditions giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender or, as appropriate, its assignee following compliance with §18); provided, however, (x) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of an Event of Default (and following application as provided in this §2.15 may be otherwise applied during the continuance of an Event of Default in accordance with §12.5), and (y) the Person providing Cash Collateral and LC Issuer or Swing Line Lender, as applicable, may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

### §2.16 Swing Line Loans.

(a) <u>Swing Line</u>. Subject to the terms and conditions hereof, Swing Line Lender, in its discretion and in reliance upon the agreements of the other Lenders set forth in this §2.16, may make loans (herein called "<u>Swing Line Loans</u>") to Borrower from time to time between the Closing Date and the Maturity Date in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with Swing Line Lender's Percentage of the outstanding principal balance of Swing

Line Lender's Revolving Loans and LC Obligations, may exceed the amount of Swing Line Lender's Revolving Commitment, provided that after giving effect to any Swing Line Loan, (i) the aggregate outstanding principal balance of all Swing Line Loans does not exceed the Swing Line Sublimit, and (ii) the aggregate amount of the Outstanding Revolving Loans, Swing Line Loans and Letters of Credit does not exceed the lesser of (A) the aggregate Revolving Commitments of all of Lenders and (B)(1) the Borrowing Base at such time minus (2) the outstanding principal amount of the loans under the MGP/UPS Credit Facility. Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan. Within the foregoing limits, and subject to the other terms and conditions hereof, Borrower may borrow under this §2.16, prepay under §§3.2 and 3.3, and reborrow under this §2.16. The obligation of Borrower to repay to Swing Line Lender the aggregate amount of all Swing Line Loans made by Swing Line Lender, together with interest accruing in connection therewith, shall be evidenced by a Note made by Borrower payable to Swing Line Lender in substantially the form of Exhibit A-1 hereto (such notes and any substitute or replacement notes therefor, the "Swing Line Notes"). Each Swing Line Loan shall bear interest on each day outstanding at a rate equal to the Base Rate plus the Base Rate Spread applicable to Revolving Loans in effect on such day. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Swing Line Loan shall be made upon Borrower's irrevocable notice to Swing Line Lender and Agent, which may be given by telephone. Each such telephonic request shall be deemed a representation, warranty, acknowledgment and agreement by Borrower as to the matters that are required to be set out in a written Request for Swing Line Loan. Each such notice must be received by Swing Line Lender and Agent not later than 10:00 a.m. on the day on which any such Swing Line Loan is to be made, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to Swing Line Lender and Agent of a written notice in the form of <u>Exhibit D-1</u> hereto (or telephonic notice confirmed in writing in the form of <u>Exhibit D-1</u> hereto) of the Swing Line Loan (the "<u>Swing Line Loan Request</u>"), appropriately completed and signed by an authorized officer of Borrower. Promptly after receipt by Swing Line Lender of any telephonic Swing Line Loan Request, Swing Line Lender will confirm with Agent (by telephone or in writing) of the contents thereof. Unless Swing Line Loan Request and, if not, Swing Line Lender will notify Agent (by telephone or in writing) of the contents thereof. Unless Swing Line Lender has received notice (by telephone or in writing) from Agent (including at the request of any Lender) prior to 11:00 a.m. on the date of the proposed Swing Line Loan (i) directing Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the first proviso to the first sentence of §2.16(a), or (ii) that one or more of the applicable conditions specified in §11 is not then satisfied, then, subject

to the terms and conditions hereof, Swing Line Lender will promptly make such Swing Line Loan available to Borrower.

(c) <u>Refinancing of Swing Line Loans</u>. (i) The Swing Line Lender at any time in its discretion may request, on behalf of Borrower (which hereby irrevocably authorizes Swing Line Lender to so request on its behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Request for purposes hereof) and in accordance with the requirements of §2.5 and §2.6, without regard to the minimum and multiples specified in §2.5 for the principal amount of Base Rate Loans, but subject to the conditions set forth in §11. The Swing Line Lender shall furnish Borrower with a copy of the applicable Loan Request promptly after delivering such notice to Agent. Each Lender shall make an amount equal to its Percentage of the amount specified in such Loan Request available to Agent in immediately available funds (and Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of Swing Line Lender at Agent's office promptly on the day specified in such Loan Request, whereupon, subject to §2.16(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to Borrower in such amount. Agent shall remit the funds so received to Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing in accordance with \$2.16(c)(i), the request for Base Rate Loans submitted by Swing Line Lender as set forth herein shall be deemed to be a request by Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to Agent for the account of Swing Line Lender pursuant to \$2.16(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to Agent for the account of Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this §2.16(c) by the time specified in §2.16(c)(i), Swing Line Lender shall be entitled to recover from such Lender (acting through Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Effective Rate and a rate determined by Swing Line Lender in accordance with banking industry rules on interbank compensation, plus any administrative, processing or similar fees customarily charged by Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Revolving Loan included in the relevant Revolving Loan or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of Swing Line Lender submitted to any Lender (through Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Revolving Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this §2.16(c) shall be absolute and

unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such Lender may have against Swing Line Lender, Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Revolving Loans pursuant to this §2.16(c) is subject to the conditions set forth in §11. No such funding of risk participations shall relieve or otherwise impair the obligation of Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) <u>Repayment of Participations</u>. (i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if Swing Line Lender receives any payment on account of such Swing Line Loan, Swing Line Lender will distribute to such Lender its Percentage thereof in the same funds as those received by Swing Line Lender.

(ii) If any payment received by Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by Swing Line Lender under any circumstances (including pursuant to any settlement entered into by Swing Line Lender in its discretion), each Lender shall pay to Swing Line Lender its Percentage thereof on demand of Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Effective Rate. Agent will make such demand upon the request of Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing Borrower for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this §2.16 to refinance such Lender's Percentage of any Swing Line Loan, interest in respect of such Percentage shall be solely for the account of Swing Line Lender. On each Interest Payment Date relating to Base Rate Loans, Borrower shall pay to Swing Line Lender all unpaid interest that has accrued on the Swing Line Loans to but not including such date.

(f) <u>Payments Directly to Swing Line Lender</u>. Borrower shall make all payments of principal and interest in respect of the Swing Line Loans directly to Swing Line Lender.

# §3. REPAYMENT AND PREPAYMENT OF THE LOANS

### §3.1 <u>Revolving Loan Maturity</u>.

Borrower promises to pay on the Maturity Date, and there shall become absolutely due and payable on the Maturity Date, all Outstanding Loans, together with any and all accrued and unpaid interest thereon, and all other Outstanding Obligations on such date.

## §3.2 Mandatory Prepayments.

Revolving Loans Exceed Revolving Commitments or Borrowing Base. If at any time (i) the aggregate Outstanding Revolving Loans, Swing Line Loans and Letters of Credit exceed the aggregate Revolving Commitments, or (ii) the aggregate Outstanding Revolving Loans, Swing Line Loans and Letters of Credit exceed (A) the Borrowing Base minus (B) the outstanding principal amount of the loans under the MGP/UPS Credit Facility, then Borrower shall pay within five (5) Business Days of written demand from Agent the amount of such excess to Agent for the respective accounts of Lenders, as applicable, first, for application to any Outstanding Swing Line Loans, second, for application to any Outstanding Revolving Loans, together with any additional amounts payable pursuant to §4.8, and after all Loans are repaid in full, Cash Collateralize the LC Obligations in accordance with §2.15 in an amount equal to such excess; provided however that until such time as Borrower has paid (or Cash Collateralized) such amounts to Agent for the respective accounts of the appropriate Lenders pursuant to the preceding clause, Lenders shall have no obligation to make additional funds available to Borrower pursuant to this Agreement and LC Issuer shall have no obligation to issue Letters of Credit pursuant to this Agreement.

### §3.3 Optional Prepayments.

Borrower shall have the right, at its election, to prepay the outstanding amount of the Loans, as a whole or in part, at any time without penalty or premium, provided that if any full or partial prepayment of the outstanding amount of any LIBOR Rate Loans is made on a date that is not the last day of the Interest Period relating thereto, such payment shall be accompanied by the amount payable pursuant to §4.8. Borrower shall give Agent, no later than 10:00 a.m., Houston time, at least three (3) Business Days prior written notice of any prepayment pursuant to this §3.3, in each case specifying the proposed date of payment of Loans and the principal amount of the Loans to be prepaid. Notice of prepayment, once given, shall be irrevocable, and such amount shall become due and payable on the specified prepayment date.

# §3.4 Partial Prepayments.

Each partial prepayment of the Loans under §3.3 shall be in the minimum amount of \$500,000 (or \$100,000 with respect to Swing Line Loans) or an integral multiple of \$100,000 in excess thereof (unless the Loan is being prepaid in full), and each partial prepayment of the Loans under §3.2 and §3.3 shall be accompanied by the payment of accrued interest on the principal prepaid to the date of payment and, after payment of such interest, shall be applied, in the absence of instruction by Borrower, first to the principal of Swing Line Loans, then to Revolving Loans that are Base Rate Loans, and then to Revolving Loans that are LIBOR Rate Loans.

# §4. CERTAIN GENERAL PROVISIONS

#### §4.1 Conversion Options; Number of LIBOR Contracts.

(a) Borrower may elect from time to time to convert any of the outstanding Revolving Loans to a Revolving Loan of another Type and such Loan shall thereafter bear interest as a Base Rate Loan or a LIBOR Rate Loan, as applicable; <u>provided</u> that (i) with respect to any such conversion of a LIBOR Rate Loan to a Base Rate Loan, Borrower shall give Agent at least three (3) Business Days' prior written notice of such election, and such conversion shall only be made on the last day of the Interest Period with respect to such LIBOR Rate Loan; (ii) with respect to any such conversion of a Base Rate Loan to a LIBOR Rate Loan, Borrower shall give Agent at least three (3) LIBOR Rate Loan; (ii) with respect to any such conversion of a Base Rate Loan to a LIBOR Rate Loan, Borrower shall give Agent at least three (3) LIBOR Business Days' prior written notice of such election and the Interest Period requested for such Loan; the principal amount of the Loan so converted shall be in a minimum aggregate amount (for all Lenders) of \$2,000,000 or an integral multiple of \$100,000 in excess thereof; and (iii) no Loan may be converted into a LIBOR Rate Loan when any Event of Default has occurred and is continuing. All or any part of the outstanding Revolving Loans of any Type may be converted as provided herein, <u>provided</u> that no partial conversion shall result in a Base Rate Loan in an aggregate principal amount (for all Lenders) of less than \$1,000,000 or a LIBOR Rate Loan in an aggregate principal amount (for all Lenders) of less than \$2,000,000 and that the aggregate principal amount (for all Lenders) of each Loan shall be an integral multiple of \$100,000. On the date on which such conversion is being made, each Lender shall take, to the extent it deems it necessary to do so, such action as is necessary to transfer its Percentage of such Loans to its Domestic Lending Office or its LIBOR Lending Office, as the case may be. Each Conversion Request relating to the conversion of a Base Rate Loan to a LIBOR Rate Loan shall be irrevoc

(b) Any LIBOR Rate Loan may be continued as such Type upon the expiration of an Interest Period with respect thereto by compliance by Borrower with the terms of §4.1; provided that no LIBOR Rate Loan may be continued as such when any Event of Default has occurred and is continuing, but shall be automatically converted to a Base Rate Loan on the last day of the Interest Period relating thereto ending during the continuance of any Default or Event of Default.

(c) In the event that Borrower does not notify Agent of its election hereunder with respect to any Loan, such Loan shall automatically be converted to a Base Rate Loan at the end of the applicable Interest Period.

(d) There shall be no more than six (6) unique Interest Periods for Outstanding Revolving Loans that are LIBOR Rate Loans at any one time.

### §4.2 Certain Fees.

Borrower agrees to pay to Regions certain fees for services rendered or to be rendered in connection with the Loans as provided in the Agreement Regarding Fees. Unless

otherwise provided therein, all such fees shall be fully earned when due and non-refundable when paid.

# §4.3 Funds for Payment.

All payments of principal, interest, Agent's fees, closing fees and any other amounts due hereunder or under any of the other Loan Documents shall be made to Agent, for the respective accounts of Lenders and Agent, as the case may be, at Agent's Office, no later than 12:00 noon (Houston time) on the day when due, in each case in lawful money of the United States in immediately available funds.

§4.4 <u>Taxes</u>.

(a) Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower, as applicable, shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) The Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law, or at the option of the Agent timely reimburse it for the payment of, any Other Taxes.

(c) The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising thereform or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified Agent for such Indemnified Taxes and without limiting the

obligation of Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of §18 relating to the maintenance of the Register (as defined in §18.2) and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to setoff and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable Agent to the Lender from any other source against any amount due to Agent under this paragraph (c).

(e) If requested by Agent after any payment of Taxes by Borrower, to a Governmental Authority pursuant to this §4.4, Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent, at the time or times reasonably requested by the Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in §4.4(g)A, B and D below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(g) Without limiting the generality of the foregoing,

A. any Lender that is a U.S. Person shall deliver to Borrower and Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

B. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by

the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

i. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

ii. executed originals of IRS Form W-8ECI;

iii. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed originals of IRS Form W-8BEN;; or

iv. to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

C. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Agent to determine the withholding or deduction required to be made; and

D. if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender

were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3) (C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

(h) If any party determines, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this §4.4 (including by the payment of additional amounts pursuant to this §4.4), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Each party's obligations under this §4.4 shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Revolving Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(j) For purposes of this §4.4, the term "Lender" includes any LC Issuer and the term "applicable law" includes FATCA.

## §4.5 Computations.

All computations of interest on the Loans and of other fees to the extent applicable shall be based on a 360-day year (or, in the case of interest on Base Rate Loans, a 365/366-day year) and paid for the actual number of days elapsed (excluding the day of repayment). Except as otherwise provided in the definition of the term "Interest Period" with respect to LIBOR Rate Loans, whenever a payment hereunder or under any of the other Loan Documents becomes due on a day that is not a Business Day, the due date for such payment shall be extended to the next succeeding Business Day, and interest shall accrue during such extension. The outstanding amount of the Loans as reflected on the records of Agent from time to time shall be considered *prima facie* evidence of such amount.

### §4.6 Inability to Determine LIBOR Rate.

In the event that at any time Agent shall determine in the exercise of its good faith business judgment that adequate and reasonable methods do not exist for ascertaining the LIBOR Rate, Agent shall forthwith give notice of such determination (which shall be conclusive and binding on Borrower and Lenders) to Borrower and Lenders. In such event (a) any Loan Request with respect to LIBOR Rate Loans shall be automatically withdrawn and shall be deemed a request for Base Rate Loans and (b) each LIBOR Rate Loan will automatically become a Base Rate Loan at the end of the current Interest Period, and the obligations of Lenders to make LIBOR Rate Loans shall be suspended until Agent determines that the circumstances giving rise to such suspension no longer exist, whereupon Agent shall so notify Borrower and Lenders.

### §4.7 Illegality.

Notwithstanding any other provisions herein, if any present or future law, regulation, treaty or directive or the interpretation or application thereof shall make it unlawful, or any central bank or other Governmental Authority having jurisdiction over a Lender Party or its LIBOR Lending Office shall assert that it is unlawful, for any Lender Party to make or maintain LIBOR Rate Loans, such Lender Party shall forthwith give notice of such circumstances to Agent and Borrower and thereupon (a) until such conditions terminate, the obligation of such Lender Party to make LIBOR Rate Loans or convert Loans of another Type to LIBOR Rate Loans shall forthwith be suspended, (b) until such conditions terminate, each request by Borrower to make a LIBOR Rate Loan shall be deemed, with respect to such Lender Party, to be a request for a Base Rate Loan and (c) the LIBOR Rate Loans then outstanding from such Lender Party shall be converted automatically to Base Rate Loans.

## §4.8 Additional Interest.

If any LIBOR Rate Loan or any portion thereof is repaid or is converted to a Base Rate Loan for any reason on a date which is prior to the last day of the Interest Period applicable to such LIBOR Rate Loan, or if repayment of the Loans has been accelerated as provided in §12.1, Borrower will pay to Agent upon demand for the account of Lenders in accordance with their respective Percentages, in addition to any amounts of interest otherwise payable hereunder, any amounts required to compensate Lenders for any losses, costs or expenses (but not loss of profit) which may reasonably be incurred as a result of such payment or conversion, including, without limitation, an amount equal to daily interest for the unexpired portion of such Interest Period on the LIBOR Rate Loan or portion thereof so repaid or converted at a per annum rate equal to the excess, if any, of (a) the interest rate calculated on the basis of the LIBOR Rate applicable to such LIBOR Rate Loan (excluding any spread over such LIBOR Rate) minus (b) the yield obtainable by Agent upon the purchase of debt securities customarily issued by the Treasury of the United States of America which have a maturity date most closely approximating the last day of such Interest Period (it being understood that the purchase of such securities shall not be required in order for such amounts to be payable and that a Lender shall not be obligated or required to have actually obtained funds at the LIBOR Rate or to have actually reinvested such amount as described above).

- §4.9 Additional Costs, Capital Adequacy, Etc.
  - (a) Subject to §4.4, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBOR Rate) or LC Issuer;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Other Connection Taxes) with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or Swing Line Loan, any Revolving Commitment, any LIBOR Rate Loan made by it, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto or change the basis of taxation of payments to such Recipient; or

(iii) impose on any Lender or LC Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or Swing Line Loan or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender, Agent or such other Recipient of making, converting to, continuing or maintaining any Loan (or of maintaining

its obligation to make any such Loan), or to increase the cost to such Lender, LC Issuer, or such other Recipient of participating in, issuing or maintaining any Letter of Credit or any Swing Line Loan (or of maintaining its obligation to participate in or to issue any Letter of Credit or Swing Line Loan), or to reduce the amount of any sum received or receivable by such Lender, LC Issuer, Agent or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, LC Issuer or Agent, or other Recipient, the Borrower will pay to such Lender, LC Issuer, Agent, or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, LC Issuer, Agent, or other Recipient, as the case may be, for such additional costs incurred or reduction suffered. Notwithstanding the foregoing, Borrower shall have the right, in lieu of making the payment referred to in this §4.9(a), to prepay the Loans and Cash Collateralize the LC Obligations of the applicable Lender to assign its Loans and Revolving Commitments in accordance with §18.8, provided, however, that Borrower shall be required to pay together with such prepayment of the Loan all other costs, damages and expenses otherwise due under this Agreement as a result of such prepayment.

(b) If any Lender or LC Issuer determines that any Change in Law affecting such Lender or LC Issuer or any lending office of such Lender or LC Issuer or such Lender's or LC Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or LC Issuer's capital or on the capital of such Lender's or LC Issuer's holding company, if any, as a consequence of this Agreement, the Revolving Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Line Loans held by, such Lender, or the Letters of Credit issued by LC Issuer, to a level below that which such Lender or LC Issuer's nuclear's or LC Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or LC Issuer's policies and the policies of such Lender's or LC Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender's or LC Issuer's holding company for any such reduction suffered. Notwithstanding the foregoing, Borrower shall have the right, in lieu of making the payment referred to in this §4.9(b), to prepay the Loans and Cash Collateralize the LC Obligations of the applicable Lender within fifteen (15) days of such demand and avoid the payment of the amounts otherwise due under this §4.9(b) or to cause the applicable Lender to assign its Loans and Revolving Commitments in accordance with §18.8, provided, however, that Borrower shall be required to pay together with such prepayment of the Loan all other fees, costs, damages and expenses otherwise due under this Agreement as a result of such prepayment.

(c) Failure or delay on the part of any Lender or LC Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or LC Issuer's

right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or LC Issuer or pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or LC Issuer, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or LC Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

## §4.10 Mitigation Obligations.

If any Lender requests compensation under §4.9, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to §4.4, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to §4.4 or §4.9, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

# §4.11 Indemnity by Borrower.

Borrower agrees to indemnify each Lender and to hold each Lender Party harmless from and against any loss, cost or expense that such Lender Party may sustain or incur as a consequence of (a) default by Borrower in payment of the principal amount of or any interest on any LIBOR Rate Loans as and when due and payable, including any such loss or expense arising from interest or fees payable by such Lender Party to lenders of funds obtained by it in order to maintain its LIBOR Rate Loans, or (b) default by Borrower in making a borrowing or conversion after Borrower has given (or is deemed to have given) a Conversion Request.

### §4.12 Interest on Overdue Amounts.

Following the occurrence and during the continuance of any Event of Default, and regardless of whether or not Lenders shall have accelerated the maturity of the Loans, at the election of the Required Lenders, all Loans and all Matured LC Obligations shall bear interest payable on demand at a rate per annum equal to two percent (2%) above the rate that would otherwise be applicable at such time (the "<u>Default Rate</u>"), until such amount shall be paid in full (after as well as before judgment), or if such rate shall exceed the maximum rate permitted by law, then at the maximum rate permitted by law.

### §4.13 Certificate.

A certificate of a Lender or LC Issuer setting forth the amount or amounts necessary to compensate such Lender or LC Issuer or its holding company, as the case may be, as specified in §4.8, §4.9, §4.11 or §4.12 and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender or LC Issuer the amount shown as due on any such certificate within 30 days after receipt thereof.

#### §4.14 Limitation on Interest.

Notwithstanding anything in this Agreement to the contrary, all agreements between Borrower and Lender Parties and Agent, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of acceleration of the maturity of any of the Obligations or otherwise, shall the interest contracted for, charged or received by Lender Parties exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to Lender Parties in excess of the maximum lawful amount, the interest payable to Lender Parties shall be reduced to the maximum amount permitted under applicable law; and if from any circumstance Lender Parties shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal balance of the Obligations and to the payment of interest or, if such excessive interest exceeds the unpaid balance of principal of the Obligations, such excess shall be refunded to Borrower. All interest paid or agreed to be paid to Lender Parties shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full period until payment in full of the principal of the Obligations (including the period of any renewal or extension thereof) so that the interest thereon for such full period shall not exceed the maximum amount permitted by applicable law. This section shall control all agreements between Borrower and Lender Parties and Agent.

## **§5. GUARANTORS; COLLATERAL SECURITY**

### §5.1 Collateral.

(a) The parties acknowledge that Borrower will form directly-owned special purpose Restricted Subsidiaries to own real and personal property. With respect to each Restricted Subsidiary, Borrower shall (i) pursuant to §8.10, designate such Subsidiary as a Restricted Subsidiary, (ii) cause each Restricted Subsidiary to execute and deliver to Agent a Joinder Agreement (Guarantor), and (iii) cause each Restricted Subsidiary and each required Loan Party to deliver the Security Documents described in §5.1(b) below, together with Organizational Documents, certified resolutions and other authorizing documents of such Subsidiary and such other Loan Parties and

favorable opinions of counsel to such Subsidiary and such other Loan Parties, all in form and substance satisfactory to Agent.

(b) The Obligations shall be secured by (i) a perfected lien or security title and security interest to be held by Agent for the benefit of Lenders in the Eligible Assets and substantially all other personal property assets of Borrower and the Guarantors (other than Equity Interests in Unrestricted Subsidiaries), pursuant to the terms of the Mortgages and the Security Agreement, (ii) a perfected security interest to be held by Agent for the benefit of Lenders in the Eligible Leases pursuant to the Mortgages (and Assignments of Leases, if any), (iii) a perfected security interest to be held by Agent for the benefit of Lenders in the Eligible Mortgages pursuant to the Mortgage Assignments; (iv) a perfected security interest to be held by Agent for the benefit of Lenders in the Pledged Deposit Accounts and all monies, instruments and investments from time to time held therein, (v) a perfected pledge of and security interest in all issued and outstanding Equity Interests in the Restricted Subsidiaries held by Borrower or any Guarantor pursuant to the Security Agreement, and (vi) such additional collateral, if any, as the Borrower or any Guarantor may agree to grant to Agent for the benefit of Lenders from time to time as security for the Obligations. All such liens or security titles shall be prior and superior in right to any other Person except (i) Permitted Liens having priority by operation of law, (ii) as provided in the Master Intercreditor Agreement or (iii) as may be consented to from time to time by Required Lenders.

(c) Prior to the delivery of any Mortgage that does not expressly exclude all Buildings (as defined in the applicable Flood Insurance Regulation) and Manufactured (Mobile) Homes (as defined in the applicable Flood Insurance Regulation) from the Mortgaged Property thereunder, Agent shall notify Lenders of such proposed Mortgage and Agent and Lenders shall have not less than five (5) Business Days after receipt of such notice and prior to the delivery of such Mortgage to obtain a completed flood hazard determination from a third party vendor with respect to such Mortgaged Property. In the event such flood hazard determination provides that such Mortgaged Property is located in a "special flood hazard area", Agent and Lenders shall have not less than thirty (30) days (or such shorter period as all Lenders may consent) after receipt of such determination and prior to the delivery of such Mortgage to (i) notify the applicable Loan Parties of that fact and (if applicable) notification to the applicable Loan Parties that flood insurance Regulations, receive evidence of required flood insurance. If any Lender shall fail to receive all such documentation as reasonably required by such Lender to complete its flood insurance due diligence within such thirty-day period with respect to such Mortgaged Property, such Lender may notify Agent that such Lender notifies Agent that such Lender has completed such flood insurance due diligence.

(d) If any Mortgage does not expressly exclude all Buildings (as defined in the applicable Flood Insurance Regulation) and Manufactured (Mobile) Homes (as defined in the applicable Flood Insurance Regulation) from the Mortgaged Property thereunder, upon any increase, extension or renewal of any of the Revolving Commitments or Loans (including any increase in the Revolving Commitments under §2.8 but excluding (i) any continuation or conversion of borrowings, (ii) the making of any Revolving Loans or (iii) the issuance, renewal or extension of Letters of Credit), Agent and Lenders shall have not less than five (5) Business Days after receipt of such notice and prior to the delivery of such Mortgage to obtain a completed flood hazard determination from a third party vendor with respect to Mortgaged Property under such Mortgage. In the event such flood hazard determination provides that such Mortgaged Property is located in a "special flood hazard area", Agent and Lenders shall have not less than thirty (30) days (or such shorter period as all Lenders may consent) after receipt of such determination and prior to such MIRE Event to (i) notify the applicable Loan Parties of that fact and (if applicable) notification to the applicable Loan Parties that flood insurance Regulations, receive evidence of required flood insurance. If any Lender shall fail to receive all such documentation as reasonably required by such Lender to complete its flood insurance due diligence within such thirty-day period with respect to such Mortgaged Property, such Lender may notify Agent that such Lender has not completed its flood insurance due diligence to its reasonable satisfaction, and such MIRE Event shall not be closed or effective until such Lender notifies Agent that such Lender has completed such flood insurance due diligence.

## §5.2 Operating Account.

Prior to the date that is sixty (60) days after the initial Loan advance is made, Borrower shall cause its main operating account (the "<u>Operating Account</u>") to be maintained with Agent. So long as no Event of Default exists, Borrower shall be entitled to withdraw amounts from the Operating Account. Upon the occurrence and during the continuation of any Event of Default, Agent may sweep all funds on deposit in the Operating Account to an account controlled by Agent on a daily basis. Borrower hereby grants to Agent a security interest (prior and superior in right to any other Person except Permitted Liens having priority by operation of law) in and to all funds now or at any time hereafter held on deposit in such Operating Account to secure the payment and performance of the Obligations, and Agent shall have all rights and remedies available to a secured party under the Uniform Commercial Code with respect to such funds.

## §5.3 Advance Account.

On or before the date on which the initial Loan advance is made, Agent shall open an account at Agent's Head Office in the name of Borrower to facilitate the funding of the Loans (the "<u>Advance Account</u>"). The sole signatory on the Advance Account shall be Borrower. The Advance Account shall be a non-interest bearing account.

(a) <u>Deposits of Loans to the Advance Account</u>. The proceeds of all Loans shall be deposited by Agent to the Advance Account, and all Loans shall accrue interest from the date of deposit in the Advance Account. Provided no Event of Default has occurred and is continuing, Borrower shall have access to all funds contained in the Advance Account. Upon withdrawal of Loan proceeds from the Advance Account, Borrower shall apply such Loan proceeds as permitted under §2.7.

(b) <u>Funds Following an Event of Default</u>. Upon the occurrence of an Event of Default, Agent may terminate Borrower's rights to access or direct the application of funds on deposit in the Advance Account. Thereafter, Agent shall either hold all or any portion of the funds on deposit as security for the Obligations or apply all or any portion of such funds in satisfaction of any part of the Obligations.

(c) <u>Security Interest</u>. Borrower hereby grants to Agent a perfected, first-in-priority security interest in and to all funds now or at any time hereafter held on deposit in the Advance Account to secure the payment and performance of the Obligations, subject to Permitted Liens, and Agent shall have all rights and remedies available to a secured party under the Uniform Commercial Code with respect to such funds.

## §5.4 [RESERVED].

## §5.5 Release of Collateral.

From time to time Borrower may request release of Collateral that constitutes a Borrowing Base Asset, together with a release of the Guarantor that owns such Borrowing Base Asset and the Equity Interests in such Guarantor, and Agent will grant such releases and remove such Collateral from the Borrowing Base Assets so long as (i) no Default or Event of Default is then in existence; and (ii) removal of such Collateral from the Borrowing Base will not cause (A) the Outstanding Revolving Loans, Swing Line Loans and Letters of Credit to exceed (B) (I) the remaining Borrowing Base <u>minus</u> (II) the outstanding principal amount of the loans under the MGP/UPS Credit Facility.

# §6. REPRESENTATIONS AND WARRANTIES AND COVENANTS

Borrower and each of the other Loan Parties (as applicable) represent and warrant and, to the extent set forth in certain Sections, covenants to Agent and Lenders as follows:

# §6.1 Corporate Authority, Etc.

(a) <u>Organization; Good Standing</u>. Borrower is a Maryland corporation duly organized pursuant to its certificate of incorporation filed with the Secretary of State of Maryland and is validly existing under the laws of the State of Maryland. Each Restricted Subsidiary is a corporation, partnership or limited liability company, duly organized, valid existing and in good standing under the laws of the state of its incorporation or formation. Borrower and each Restricted Subsidiary (i) has all requisite power to own its respective properties and conduct its respective business as now conducted and as presently contemplated, and (ii) is duly authorized to do business in each jurisdiction where a failure to be so authorized in such other jurisdiction could reasonably be expected to have a materially adverse effect on the business, assets or financial condition of such Person. The Borrower is not an EEA Financial Institution.

(b) <u>Subsidiaries</u>. Borrower has no Subsidiaries and owns no other Equity Interests in any Person, other than those specifically disclosed in Schedule 6.1(b), as supplemented from time to time by Borrower by written notice to Agent pursuant to §8.10, all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid, and are owned in the amounts specified in Schedule 6.1(b), all such Equity Interests issued by any Restricted Subsidiary are free and clear of all Liens, other than Permitted Liens, and such Schedule 6.1(b) identifies each Subsidiary as either Restricted or Unrestricted.

(c) <u>Authorization</u>. The execution, delivery and performance of this Agreement and the other Loan Documents to the Loan Parties, or any of them, are or are to become a party and the transactions contemplated hereby and thereby (i) are within the authority of such Person, (ii) have been duly authorized by all necessary proceedings on the part of such Person, (including any required stockholder, partner or member approval), (iii) do not and will not conflict with or result in any breach or contravention of any provision of law, statute, rule or regulation to which such Person is subject or any judgment, order, writ, injunction, license or permit applicable to such Person, except for such conflicts or breaches that, individually and the aggregate, could not reasonably be expected to have a Material Adverse Effect, (iv) do not and will not conflicts or other instrument binding upon, such Person or any of its properties or to which such Person is subject, except for such conflicts or defaults that, individually and in the aggregate, could not reasonably be expected to have a Material Adverse Effect and (v) do not and will not result in or require the imposition of any Lien or other encumbrance on any of the properties, assets or rights of such Person except for the Liens and security title granted by the Loan Documents.

(d) <u>Enforceability</u>. The execution and delivery of this Agreement and the other Loan Documents to which the Loan Parties, or any of them, are or are to become a party are valid and legally binding obligations of such Person enforceable in accordance with the respective terms and provisions hereof and thereof, except as enforceability is limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except to the extent that availability of the remedy of specific performance or injunctive relief is subject to the discretion of the court before which any proceeding therefor may be brought.

# §6.2 Approvals.

The execution, delivery and performance by the Loan Parties, or any of them, of this Agreement and the other Loan Documents to which they are or are to become a party and the transactions contemplated hereby and thereby do not require the approval or consent of, or filing with, any Person or the authorization, consent or approval of, or any license or permit issued by, or any filing or registration with, or the giving of any notice to, any court, department, board, commission or other governmental agency or authority other than those already obtained and the filing of the Security Documents in the appropriate records office with respect thereto.

## §6.3 <u>Title to Properties; Leases.</u>

Borrower and its Restricted Subsidiaries own or will own all of their respective assets (including, upon initial funding of the Loans, the initial Borrowing Base Assets), subject to no rights of others, including any mortgages, leases, conditional sales agreements, title retention agreements, liens or other encumbrances except Permitted Liens. Without limiting the foregoing, Borrower and its Restricted Subsidiaries have or will have good and marketable fee simple or leasehold title to all real and personal property reasonably necessary for the operation of its business in whole, free from all liens or encumbrances of any nature whatsoever, except for Permitted Liens.

## §6.4 Financial Statements.

Borrower has furnished or caused to be furnished to each of Lenders: (a) the audited financial statements filed by Borrower with the Securities and Exchange Commission for the fiscal year ended December 31, 2016 and (b) projected profit and loss statements and cash flow statements of Borrower, prepared on a quarterly basis for the next two (2) calendar years. Information required to be furnished pursuant to this Section shall be deemed to have been furnished to each Lender if such information, or one or more annual or quarterly reports containing such information, shall have been posted by the Agent on the Platform to which the Lenders have been granted access. Such audited financial statements described in clause (a) have been prepared in accordance with GAAP and fairly present in all material respects the

financial condition of Borrower and its Subsidiaries as of such date and the results of the operations of Borrower and its Subsidiaries, for such period. All projections and estimates have been prepared in good faith on the basis of reasonable assumptions and represent the best estimate of future performance by the party supplying the same, it being agreed that projections are subject to uncertainties and contingencies and that no assurance can be given that any projection will be realized.

## §6.5 No Material Adverse Changes.

There has occurred no materially adverse change in the financial condition or business of Borrower and any of its Subsidiaries, taken as a whole, as shown on or reflected in the balance sheet of Borrower or its Subsidiaries as of March 31, 2017, or its statement of income or cash flows for the fiscal quarter then ended, other than changes in the ordinary course of business that have not had any materially adverse effect either individually or in the aggregate on the business or financial condition of Borrower and Restricted Subsidiaries and any Unrestricted Subsidiary with assets in excess of \$5,000,000.

#### §6.6 Franchises, Patents, Copyrights, Etc.

Each of Borrower and its Restricted Subsidiaries possesses all franchises, patents, copyrights, trademarks, trade names, service marks, licenses and permits, and rights in respect of the foregoing, adequate for the conduct of its business substantially as now conducted without known conflict with any rights of others except where the failure to so possess could not, individually and in the aggregate, reasonably be expected to have a Material Adverse Effect. Except as disclosed to Agent in writing, the Borrowing Base Assets are not owned or operated under or by reference to any registered or protected trademark, tradename, servicemark or logo.

### §6.7 Litigation.

Except as described on <u>Schedule 6.7</u> hereto, there are no actions, suits, proceedings or investigations of any kind pending or to the Borrower's Knowledge, threatened, against Borrower or any of its Subsidiaries or any of the Collateral before any court, tribunal, administrative agency or board, mediator or arbitrator that, if adversely determined, individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. There are no judgments outstanding against or affecting Borrower, any of its Restricted Subsidiaries, or any of the Collateral.

## §6.8 No Materially Adverse Contracts, Etc.

Neither Borrower nor any Restricted Subsidiary is a party to any mortgage, indenture, or other material contract or agreement or other instrument that has had or is

reasonably expected, in the judgment of the members, partners or officers of such Person, to have a Material Adverse Effect.

# §6.9 Compliance with Organizational Documents, Other Instruments, Laws, Etc.

Neither Borrower nor any Restricted Subsidiary is in violation of any provision of its Organizational Documents, or any decree, order, judgment, statute, license, rule or regulation, in any of the foregoing cases in a manner that could reasonably be expected to result in the imposition of substantial penalties or materially and adversely affect the financial condition, properties or business of such Person.

# §6.10 Tax Status.

Borrower and each Restricted Subsidiary (a) has made or filed all federal and all other material tax returns, reports and declarations, if any, required by any jurisdiction to which it is subject, except to the extent Borrower has obtained a valid extension of the deadline to file such return, (b) has paid all material taxes and other material governmental assessments and charges shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and by appropriate proceedings, and (c) has set aside on its books provisions reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply, if applicable or required. There are no unpaid taxes or assessments in any material amount claimed to be due by the taxing authority of any jurisdiction or pursuant to any private agreement except for those that are being contested as permitted by this Agreement. As of the Second Amendment Closing Date, except as set forth on <u>Schedule 6.10</u> hereto, Borrower has not been audited, or has knowledge of any pending audit, by the Internal Revenue Service or any other taxing authority.

# §6.11 No Event of Default.

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

### §6.12 Investment Company Act.

Neither Borrower nor any Restricted Subsidiary is an "investment company", or an "affiliated company" or a "principal underwriter" of an "investment company", as such terms are defined in the Investment Company Act of 1940.

### §6.13 Senior Unsecured Convertible Notes.

On and after February 28, 2020, if the outstanding principal amount of the Senior Unsecured Convertible Notes exceeds \$28,750,000, Borrower's unrestricted cash liquidity (including, for purposes of this \$6.13, the undrawn portion of the Borrowing Base that is then available for borrowing) is not less than the sum of (x) the outstanding principal amount of Senior Unsecured Convertible Notes <u>plus</u> (y) \$5,000,000.

# §6.14 Setoff, Etc.

The Loan Parties are the owners of the Collateral free from any lien, security interest, encumbrance or other claim or demand, except those encumbrances permitted in the Security Documents or Permitted Liens.

#### §6.15 Certain Transactions.

Except as set forth in <u>Schedule 6.15</u> hereto or as otherwise permitted pursuant to §8.3, none of the partners, members, officers, trustees, directors, or employees of Borrower or any Restricted Subsidiary is a party to any transaction with any of their Affiliates or their members, employees, officers, trustees and directors (other than employment and severance agreements relating to services as partners, members, employees, officers, trustees and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any Affiliate, partner, member, officer, trustee, director or such employee or, to Borrower's Knowledge, any limited liability company, corporation, partnership, trust or other entity in which any Affiliate, partner, member, officer, trustee, partner or member.

### §6.16 Employee Benefit Plans.

Borrower and each ERISA Affiliate has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Guaranteed Pension Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Employee Benefit Plan. Neither Borrower nor any ERISA Affiliate has (a) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Employee Benefit Plan, (b) failed to make any contribution or payment to any Guaranteed Pension Plan, or made any amendment to any Guaranteed Pension Plan, which has resulted in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code, or (c) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. None of the assets of Borrower constitute a Plan Asset.

#### §6.17 <u>Regulations T, U and X</u>.

No portion of any Loan or any Letter of Credit is to be used for the purpose of purchasing or carrying any "margin security" or "margin stock" as such terms are used in Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 220, 221 and 224. The Loan Parties are not engaged, and will not engage, principally or as one of its important activities in the business of extending credit for the purpose of purchasing or



carrying any "margin security" or "margin stock" as such terms are used in Regulations T, U and X of the Board of Governors of the Federal Reserve System, 12 C.F.R. Parts 220, 221 and 224.

## §6.18 Environmental Compliance.

Prior to any Eligible Asset becoming a Borrowing Base Asset, the Loan Parties shall have delivered to Agent true and complete copies of all written environmental site assessment reports and environmental impact statements in the possession of or made available to any Loan Party with respect to such Eligible Asset (collectively, the "Environmental Reports"), and the Loan Parties make the following representations and warranties:

(a) Except as disclosed in the Environmental Reports, to Borrower's Knowledge, neither Borrower nor any Restricted Subsidiary (nor any Unrestricted Subsidiary to the extent such violation could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), nor any lessee of any Eligible Asset, is in material violation, or alleged material violation of any applicable judgment, decree, code, order, law, rule of common law, license, rule or regulation pertaining to environmental matters, including without limitation, those arising under the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 as amended ("<u>CERCLA</u>"), the Superfund Amendments and Reauthorization Act of 1986, the Federal Clean Water Act, the Federal Clean Air Act, the Toxic Substances Control Act, or any applicable state or local statute, regulation, ordinance, order or decree relating to the environment (hereinafter "<u>Environmental Laws</u>"). To Borrower's Knowledge, any violation reflected in the Environmental Reports would not reasonably be expected to have a Material Adverse Effect.

(b) Except as disclosed in the Environmental Reports, to Borrower's Knowledge, neither Borrower nor any Restricted Subsidiary (nor any Unrestricted Subsidiary, to the extent that the circumstances described in such notice could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), nor any lessee of any Eligible Asset, has received written notice from any third party including, without limitation, any Governmental Authority, (i) that it has been identified by the United States Environmental Protection Agency as a potentially responsible party under CERCLA with respect to a site listed on the National Priorities List, 40 C.F.R. Part 300 Appendix B (1986); (ii) that any hazardous waste, as defined by 42 U.S.C. §9601(5), any hazardous substances as defined by 42 U.S.C. §9601(14), any pollutant or contaminant as defined by 42 U.S.C. §9601(33) or any toxic substances or hazardous materials or other chemicals or substances regulated by any Environmental Laws ("Hazardous Substances") which it has generated, transported or disposed of have been found at any site at, on or under its property for which a federal, state or local agency or other third party has conducted or has ordered that Borrower or any such Subsidiary, or any lessee of any Eligible Asset, conduct a remedial investigation, removal or other response action pursuant to any Environmental Law; or (iii) that it or any lessee of any Eligible Asset is or shall be a named party to any claim, action, cause of action,

complaint, or legal or administrative proceeding (in each case, contingent or otherwise) arising out of any third party's incurrence of costs, expenses, losses or damages of any kind whatsoever in connection with the release of Hazardous Substances.

(i) To Borrower's Knowledge, except as disclosed in any Environmental Reports provided to Agent and except as (c) disclosed to Agent in writing, (1) no portion of any of its property has been used by Borrower or any Restricted Subsidiary (or any Unrestricted Subsidiary, if such usage could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), or any lessee of any Eligible Asset, as a landfill or for dumping or for the handling, processing, storage or disposal of Hazardous Substances except in material compliance with applicable Environmental Laws, and (2) no underground tank for Hazardous Substances has been operated by Borrower or any Subsidiary (or any Unrestricted Subsidiary, if such failure to so comply could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), or any lessee of any Eligible Asset, except in material compliance with applicable Environmental Laws; (ii) in the course of any activities conducted by Borrower and its Restricted Subsidiaries (and its Unrestricted Subsidiaries, if such failure to so comply could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), or any lessee of any Eligible Asset, no Hazardous Substances have been generated or are being used on any of their properties except in the ordinary course of business and in material compliance with applicable Environmental Laws; (iii) to Borrower's Knowledge, there has been no past or present releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, disposing or dumping (a "Release") of Hazardous Substances on, upon, into or from any of Borrower's or its Restricted Subsidiaries' properties (or its Unrestricted Subsidiaries' properties, if such Release could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000), which Release could reasonably be expected to have a Material Adverse Effect; (iv) to Borrower's Knowledge, there have been no Releases on, upon, from or into any real property in the vicinity of any of Borrower's or its Restricted Subsidiaries' properties (or its Unrestricted Subsidiaries' Properties, if such Release could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000) which, through soil or groundwater contamination, may have come to be located on, and which could reasonably be expected to have a Material Adverse Effect; and (v) to Borrower's Knowledge, any Hazardous Substances that have been generated on any of Borrower's or its Subsidiaries' properties (or its Unrestricted Subsidiaries' properties, if such generation could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000) by Borrower or any of such Subsidiaries have been transported off-site, treated and disposed of in material compliance with applicable Environmental Laws.

(d) To Borrower's Knowledge and except as has been or will be concurrently herewith completed, neither Borrower nor any of its Restricted Subsidiaries (nor any of its Unrestricted Subsidiaries, except to the extent the circumstances described in any such notice, recording or delivery could not reasonably be expected to result in a liability to such Unrestricted

Subsidiary in excess of \$1,000,000), nor any lessee of any Eligible Asset, nor any of their respective properties is subject to any applicable Environmental Law requiring the giving of notice to any governmental agency or the recording or delivery to other Persons of an environmental disclosure document or statement by virtue of the transactions set forth herein and contemplated hereby, or as a condition to the recording of any Security Document or to the effectiveness of any other transactions contemplated hereby.

(e) This §6.18 shall set forth the sole and exclusive representations and warranties made by the Loan Parties with regard to Environmental Laws, Hazardous Substances, or any other environmental, health or safety matter.

## §6.19 Loan Documents.

All of the representations and warranties of the Loan Parties made in this Agreement and the other Loan Documents, as applicable, or any document or instrument delivered by any Loan Party to Agent or Lenders pursuant to or in connection with any of such Loan Documents are true and correct in all material respects as of the date specified therein or thereon or the date delivered, as applicable, and no Loan Party has failed to disclose such information as is necessary to make such representations and warranties not misleading. The information, reports, financial statements, exhibits and schedules (excluding projections which have been proposed in good faith) furnished by the Loan Parties to Agent and Lenders in connection with the negotiation, preparation or delivery of this Agreement and the other Loan Documents or included herein or therein or delivered pursuant hereto or thereto, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements herein or therein not misleading. All written information furnished after the Closing Date by the Loan Parties to Agent or Lenders in connection with this Agreement and the other Loan Documents and the transactions contemplated hereby and thereby will be true, correct and accurate in every material respect and shall not omit to state any material fact necessary to make the statements herein not misleading, or (in the case of projections) based on reasonable estimates, on the date as of which such information is stated or certified; it being recognized by Agent and Lenders that any projections and forecasts provided by the Loan Parties are subject to significant uncertainties and contingencies, many of which are beyond the control of the Loan Parties.

#### §6.20 Eligible Assets.

Borrower and the Restricted Subsidiaries make the following representations and warranties concerning each Eligible Asset:

(a) <u>No Required Eligible Asset Consents, Permits, Etc</u>. Neither Borrower nor any Restricted Subsidiary has received any written notice of, has no Knowledge of, any approvals,

consents, licenses, permits, utility installations and connections (including, without limitation, drainage facilities) required by applicable laws, rules, ordinances or regulations or any agreement affecting the Eligible Asset for the maintenance, operation, servicing and use of the Eligible Asset for its current use (hereinafter referred to as the "<u>Project Approvals</u>") which have not been granted, effected, or performed and completed (as the case may be), or any fees or charges therefor which have not been fully paid, or which are no longer in full force and effect. No Project Approvals will terminate, or become void or voidable or terminable on any foreclosure sale of the Eligible Asset pursuant to the Mortgage to which such Eligible Asset is subject. There are no outstanding suits, orders, decrees or judgments relating to building use and occupancy, fire, health, sanitation or other violations affecting, against, or with respect to, the Eligible Asset or any part thereof, which, if adversely determined, either singly or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(b) <u>No Violations</u>. Neither Borrower nor any Restricted Subsidiary has received notice of, and has no Knowledge of, any violation of any applicable Requirements, Project Approvals or any other restrictions or agreements by which Borrower or any Restricted Subsidiary or the Eligible Asset is bound which violation, either singly or in the aggregate with other such violations, could reasonably be expected to have a Material Adverse Effect.

(c) <u>Insurance</u>. Neither Borrower nor any Restricted Subsidiary has received any written notice from any insurer or its agent requiring performance of any work with respect to the Eligible Asset that has not been completed or canceling or threatening to cancel any policy of insurance, and the Eligible Asset complies in all material respects with the insurability requirements of all of Borrower's insurance carriers.

(d) <u>Real Property and other Taxes; Special Assessments</u>. There are no unpaid or outstanding real estate or other taxes or assessments on or against the Eligible Asset or any part thereof, including, without limitation, any payments in lieu of taxes, which are payable by Borrower or any Restricted Subsidiary (except only real estate or other taxes or assessments that are not yet delinquent or subject to any penalties, interest or other late charges, or are being contested as permitted under this Agreement, or which have been adequately reserved against in accordance with GAAP). There are no unpaid or outstanding annual or other periodic fees or rents or gross receipts, rent or sales taxes payable with respect to the use and operation of the Eligible Asset which are due and payable. No abatement proceedings are pending with reference to any real estate taxes or private assessments assessed against the Eligible Asset. There are no betterment assessments or other special assessments presently pending with respect to any portion of the Eligible Asset, and neither Borrower nor any Restricted Subsidiary has received any written notice of any such special assessment being contemplated.

(e) <u>Eminent Domain; Casualty</u>. At the time the Eligible Asset becomes a Borrowing Base Asset, there are no pending eminent domain proceedings against the Eligible Asset

or any part thereof, and, to Borrower's Knowledge, no such proceedings are presently threatened or contemplated by any taking authority. Neither the Eligible Asset nor any part thereof is, as of the date such Eligible Asset becomes a Borrowing Base Asset, materially damaged or injured as a result of any fire, explosion, accident, flood or other casualty.

(f) <u>Unresolved Real Estate Disputes</u>. Except as may be disclosed to Agent or on <u>Schedule 6.20(f)</u>, there are no unresolved claims or disputes relating to access to any material portion of the Eligible Asset that could reasonably be expected to have a material adverse effect on the intended use of such Eligible Asset by Borrower or an Restricted Subsidiaries, or otherwise have, either singly or in the aggregate, a Material Adverse Effect. Each reaffirmation of the representation and warranty contained in this sub-paragraph (f) shall take into account the most recent update of <u>Schedule 6.20(f)</u> delivered to Agent pursuant to <sup>§7.4</sup>(h) and shall be deemed reaffirmed as of the most recent date any update to said <u>Schedule 6.20(f)</u> was required to have been delivered to Agent pursuant to <sup>§7.4</sup>(h), whether or not any such update is so delivered.

(g) <u>Material Real Property Agreements</u>; No Options. Except as set forth in <u>Schedule 6.20(g)</u>, there are no material agreements pertaining to the management or operation of the Eligible Asset other than as described in this Agreement and the Eligible Leases; and except for the lessees under the Eligible Leases, no Person has any right of first refusal, right of first offer or other option to acquire the Eligible Asset or any portion thereof or interest therein. Each reaffirmation of the representation and warranty contained in this sub-paragraph (g) shall take into account the most recent update of <u>Schedule 6.20(g)</u> delivered to Agent pursuant to §7.4(h) and shall be deemed reaffirmed as of the most recent date any update to said <u>Schedule 6.20(g)</u> was required to have been delivered to Agent pursuant to §7.4(h), whether or not any such update is so delivered.

§6.21 Reserved.

§6.22 Brokers.

Except as disclosed to Agent in writing, Borrower has not engaged or otherwise dealt with any broker, finder or similar entity in connection with this Agreement or the Loans contemplated hereunder.

§6.23 [RESERVED]

## §6.24 OFAC.

Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with Anti-Corruption Laws and applicable Sanctions Laws and Regulations. Borrower and its Subsidiaries and, to the knowledge of the Company and its Subsidiaries, their respective officers, employees, directors and agents, are in compliance with

Anti-Corruption Laws and applicable Sanctions Laws and Regulations in all material respects (for the avoidance of doubt, this representation shall not fail to be true and correct due to any failure or failures to comply with Anti-Corruption Laws (i) that are isolated and do not evidence a pervasive or systemic pattern of violations of such laws and regulations or a significant deficiency in the implementation of the aforesaid policies and procedures to ensure compliance by Borrower and its Subsidiaries with Anti-Corruption Laws or (ii) that arise from actions or incidents that have been publicly disclosed by Borrower or disclosed in writing to the Agent (with a copy to Lenders), in each case, at least twenty (20) days prior to the Second Amendment Closing Date). Neither Borrower nor any of its Subsidiaries, or to their knowledge any of their directors or officers, or any of their respective agents acting or benefiting in any capacity in connection with this Agreement or any other Loan Document, is a Designated Person or is knowingly engaged in any activity that could reasonably be expected to result in such Person becoming a Designated Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will result in a violation of Anti-Corruption Laws or applicable Sanctions Laws and Regulations by Borrower or any of its Subsidiaries.

## §6.25 No Fraudulent Intent.

Neither the execution and delivery of this Agreement or any of the other Loan Documents nor the performance of any actions required hereunder or thereunder is being undertaken by Borrower or any other Loan Party with or as a result of any actual intent by such Person to hinder, delay or defraud any entity to which is now or will hereafter become indebted.

§6.26 Reserved.

# §6.27 Solvency.

After giving effect to the transactions contemplated by this Agreement and the other Loan Documents, including all of the Loans made or to be made with respect to the Borrower and each Guarantor, (a) the fair value of its assets on a going concern basis is greater than the amount of its liabilities (including disputed, contingent and unliquidated liabilities) as such value is established and liabilities evaluated, (b) the present fair saleable value of its assets is not less than the amount that will be required to pay the probable liability on its debts as they become absolute and matured, (c) it will be able to pay its debts and other liabilities (including disputed, contingent and unliquidated liabilities) as they mature in the normal course of business (taking into account all available financing options), (d) it does not intend to, and do not believe that it will, incur debts or liabilities beyond its ability to pay as such debts and liabilities mature and (e) it is not engaged in business or a transaction, and is not about to engage in business or a transaction, for which its property would constitute unreasonably small capital.

# §6.28 No Bankruptcy Filing.

Neither Borrower nor any Restricted Subsidiary (nor any Unrestricted Subsidiary with assets in excess of \$5,000,000) is contemplating either the filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of its assets or property, and to Borrower's Knowledge, no Person is contemplating the filing of any such petition against Borrower or any of its Subsidiaries.

## §6.29 Other Debt.

No Loan Party is in default (after giving effect to applicable grace periods) in the payment of any Indebtedness or the terms of any agreement, mortgage, deed of trust, security agreement, financing agreement, indenture or other lease to which it is a party which default, either singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Loan Party is a party to or bound by any agreement, instrument or indenture that may require the subordination in right or time of payment of any of the Obligations to any other Indebtedness or obligation of the Loan Parties. Nothing in this §6.29 shall alter or affect the provisions of §8.1.

# §7. AFFIRMATIVE COVENANTS OF LOAN PARTIES

Borrower and the other Loan Parties (as applicable) covenant and agree that, so long as any Loan or other Obligation (other than contingent indemnification obligations for which no claim has been asserted) is outstanding or any Lender has any obligation to make any Loans hereunder:

## §7.1 Punctual Payment.

Borrower will duly and punctually pay or cause to be paid the principal and interest on the Loans and all interest and fees provided for in this Agreement, all in accordance with the terms of this Agreement and the Notes as well as all other sums owing pursuant to the Loan Documents.

# §7.2 Maintenance of Office.

Each Loan Party will maintain its chief executive office at 4200 W. 115<sup>th</sup> Street, Suite 210, Leawood, Kansas 66211, or at such other place in the United States of America as Borrower shall designate upon at least thirty (30) days (or such lesser number of days as is acceptable to Agent) prior written notice to Agent, where notices, presentations and demands to or upon the Loan Parties in respect of the Loan Documents may be given or made. Each Loan Party agrees that, in the event of any such change, it will execute and deliver such amendments

and other documents as Agent may reasonably request to maintain Agent's perfected Lien on the Collateral.

# §7.3 Records and Accounts.

Each Loan Party will keep true and accurate records and books of account in which full, true and correct entries will be made in accordance with GAAP, as revised from time to time. No Loan Party shall, without the prior written consent of Agent, make any material change to the accounting procedures used by it in preparing the financial statements and other information described in §6.4 except as required by law or as required by GAAP. No Loan Party will change its fiscal year except as otherwise approved by Agent in writing.

# §7.4 Financial Statements, Certificates and Information.

## Borrower will deliver to Agent:

(a) not later than ninety (90) days after the end of each fiscal year of Borrower, the Consolidated balance sheet of Borrower and its Subsidiaries as of the end of such year, and the related statements of income, changes in capital and cash flows for such year, each setting forth in comparative form the figures for the previous fiscal year and all such statements to be in reasonable detail, prepared in accordance with GAAP, and accompanied by an auditor's report prepared without qualification by a nationally recognized accounting firm reasonably acceptable to Agent, and any other information Agent may reasonably require to complete a financial analysis of Borrower and its Subsidiaries; provided that so long as Borrower is required to file its audited financial statements with the Securities and Exchange Commission, the delivery of such filed financial statements shall satisfy the forgoing requirement;

(b) not later than forty-five (45) days after the end of each fiscal quarter of Borrower and its Subsidiaries thereafter, copies of the balance sheet of Borrower and its Subsidiaries as of the end of such quarter, and the related statements of income, changes in capital and cash flows for the portion of Borrower's fiscal year then elapsed, all in reasonable detail and prepared in accordance with GAAP (other than the inclusion of footnotes); provided that so long as Borrower is required to file its quarterly financial statements with the Securities and Exchange Commission, the delivery of such filed financial statements shall satisfy the forgoing requirements; together with a certification by the Principal Financial Officer of Borrower that the information contained in such financial statements fairly presents, in all material respects, the financial position of Borrower on the date thereof (subject to year-end adjustments);

(c) simultaneously with the delivery of the financial statements referred to in subsections (a) and (b) of this §7.4, a statement (a "<u>Compliance Certificate</u>") certified by the Principal Financial Officer of Borrower in the form of <u>Exhibit B</u> hereto (or in such other form as Agent may

approve from time to time) setting forth in reasonable detail computations evidencing compliance with the covenants contained in §9 and the other covenants described therein;

(d) concurrently with the delivery of the financial statements described in subsections (a) and (b) of this §7.4, a certificate signed by the Principal Financial Officer of Borrower to the effect that, having read this Agreement, and based upon an examination which such officer deems sufficient to enable such officer to make an informed statement, such officer is not aware of any Default or Event of Default, or if such Default or Event of Default has occurred, specifying the facts with respect thereto;

(e) within sixty (60) days after the end of each calendar quarter, a certificate in the form of Exhibit E attached hereto (a "Borrowing Base Certificate"), certified by a Principal Financial Officer of Borrower, pursuant to which Borrower shall calculate the amount of the Borrowing Base as of the end of the immediately preceding calendar quarter; provided that (i) Borrower may, at its option, deliver up to two additional Borrowing Base Certificates each quarter with each Borrowing Base Certificate in connection with a redesignation or addition of Borrowing Base Assets as contemplated hereunder, and (ii) Borrower shall deliver a Borrowing Base Certificate at the time of each request for a Loan demonstrating compliance with the requirements of §2.1. All income, expense and value associated with Borrowing Base Assets disposed of during such calendar quarter will be eliminated from calculations, where applicable.

(f) if requested by Agent, copies of all annual federal income tax returns and amendments thereto of Borrower and its Subsidiaries;

(g) not later than March 1 of each year during the term of the Loan, the budget for Borrower and its Subsidiaries for such calendar year. Such budget shall be in form reasonably satisfactory to Agent and shall be submitted to Agent together with a narrative description of the assumptions upon which the budget is based and such other information as Agent may request;

(i) from time to time such other financial data and information pertaining to Borrower and the Eligible Assets, as Agent or any Lender may reasonably request from time to time.

## §7.5 Notices.

(a) <u>Defaults</u>. Borrower will promptly notify Agent in writing of the occurrence of any (i) Default, (ii) Event of Default, (iii) an event of default under any Eligible Mortgage. If any Person shall give any notice or take any other action in respect of a claimed default (whether or not constituting an Event of Default) under this Agreement or under any note, obligation or other evidence of Indebtedness in an outstanding principal amount of at least \$1,000,000, to which or with respect to which any Loan Party is a party or obligor, whether as principal or surety, and such event of default would permit the holder of such note or obligation or other evidence of Indebtedness to accelerate the maturity thereof or the existence of which claimed default might become an Event of Default under \$12.1(f), Borrower shall forthwith give written notice thereof to Agent, describing the notice or action and the nature of the claimed default. Borrower shall also promptly notify Agent in writing of any exercise of remedies by the holder of such note, obligation or other evidence of Indebtedness (or any agent or representative thereof) with respect to such event of default.

(b) Environmental Events. Borrower will promptly give notice to Agent (i) upon Borrower obtaining knowledge of any potential or known Release, or threat of Release, of any Hazardous Substances at or from Borrower's or any its Restricted Subsidiaries' properties (or any Unrestricted Subsidiaries' properties, if such Release could reasonably be expected to result in a liability to such Unrestricted Subsidiary in excess of \$1,000,000) that, either singly or in the aggregate, could reasonably be expected to have a Material Adverse Effect; (ii) of any violation of any Environmental Law that Borrower reports in writing or is reportable by Borrower in writing (or for which any written report supplemental to any oral report is made), or any lessee of any Eligible Asset, to any federal, state or local environmental agency that, either singly or in the aggregate, could reasonably be expected and (iii) upon becoming aware thereof, of any inquiry, proceeding, investigation, or other action, including a notice from any agency of potential environmental liability, of any federal, state or local environmental liability, of any federal, state or local environmental agency or board, that in either case could reasonably be expected to have a Material Adverse Effect.

(c) Notification of Claims Against Collateral. Borrower will, promptly upon obtaining Knowledge thereof, notify Agent in writing of any claims pertaining to the Collateral which, either singly or in the aggregate, could reasonably be expected to exceed \$1,000,000, as well as any setoff, withholdings or other defenses to which any of the Collateral, or the rights of Agent or Lenders with respect to the Collateral, are subject, in each case, other than related to Permitted Liens.

(d) <u>Notice of Litigation and Judgments</u>. Borrower will give notice to Agent in writing within fifteen (15) days of becoming aware of any litigation or proceedings threatened in writing or any pending litigation and proceedings affecting Borrower or any Restricted Subsidiary or to which Borrower or any Restricted Subsidiary is or is to become a party involving an uninsured

claim against Borrower that could reasonably be expected to have a Material Adverse Effect and stating the nature and status of such litigation or proceedings. Borrower will give notice to Agent, in writing, in form and detail satisfactory to Agent and each of Lenders, within ten (10) days of any judgment not covered by insurance, whether final or otherwise, against Borrower or any Restricted Subsidiary in an amount, whether singly or in the aggregate, in excess of \$1,000,000.

(e) <u>ERISA</u>. Borrower will give notice to Agent within five (5) Business Days after Borrower or any ERISA Affiliate (i) gives or is required to give notice to the PBGC of any ERISA Reportable Event with respect to any Guaranteed Pension Plan, or knows that the plan administrator of any such plan has given or is required to give notice of any such ERISA Reportable Event; (ii) receives a copy of any notice of withdrawal liability under Title IV of ERISA with respect to a Multiemployer Plan; or (iii) receives any notice from the PBGC under Title IV of ERISA of an intent to terminate or appoint a trustee to administer any Guaranteed Pension Plan.

(f) <u>Notice of Material Adverse Effect</u>. Borrower will give notice to Agent in writing within fifteen (15) days of becoming aware of the occurrence of any event or circumstance which could reasonably be expected to have a Material Adverse Effect.

#### §7.6 Existence; Maintenance of Properties.

Except as permitted under §8.4, Borrower and the Restricted Subsidiaries will do or cause to be done all things necessary to preserve and keep in full force and effect their respective legal existences and good standing in their respective jurisdictions of incorporation, formation or (as the case may be) organization. Except as permitted under §8.4, Borrower and the Restricted Subsidiaries will do or cause to be done all things necessary to preserve or establish their respective good standing as a foreign entity and due authorization to do business in the jurisdictions where failure to do so would have a material adverse effect on their respective businesses and activities. Except as permitted under §8.4, Borrower will do or cause to be done all things necessary to preserve and keep in full force all of its rights and franchises, except where the failure to preserve such rights and franchises would not reasonably be expected to have a Material Adverse Effect.

#### §7.7 Insurance.

(a) <u>Maintenance of Insurance</u>. Borrower and each Restricted Subsidiary will maintain, or will cause lessees of its assets to maintain, with financially sound and reputable insurers that are licensed to do business in the State where the policy is issued and, with respect to any property and casualty insurance, also in the States where the Eligible Asset is located, insurance with respect to its properties and business against such casualties and contingencies, as shall be in accordance with the general practices of businesses engaged in similar activities in similar geographic areas, and in amounts, containing such terms, in such forms and for such periods as may be reasonable and prudent in accordance with sound business practices and the determination of management of Borrower and the Restricted Subsidiaries; provided, however, that such

requirement may be satisfied with respect to the Eligible Assets by the lessees pursuant to the Eligible Leases. The insurance requirements may be satisfied by Borrower, any Restricted Subsidiary or any such lessee through the maintenance of self-insurance that complies with all laws and regulations applicable thereto and reasonably satisfactory to Agent. Within thirty (30) days after the Second Amendment Closing Date, Borrower shall furnish to Agent a certificate setting forth in reasonable detail the nature and extent of all insurance maintained by Borrower (or such lessees) and shall cause each issuer of an insurance policy maintained by Borrower (and shall use commercially reasonable efforts with respect to insurance policies maintained by such lessees) to provide Agent with an endorsement (i) showing Agent as a loss payee with respect to each policy of property or casualty insurance and naming Agent as an additional insured with respect to each policy of liability insurance and naming Agent as a limited loss payee jointly with Borrower and as additional insured), (ii) providing that 30 days' notice will be given to Agent prior to any cancellation of, or material reduction or change in coverage provided by or other material modification to such policy, and also a cross liability/severability endorsement. Borrower and the Restricted Subsidiaries shall be responsible for all premiums on insurance policies, subject to the requirements of the Eligible Leases. Upon Agent's request, Borrower shall deliver duplicate originals or certified copies of all such policies to Agent, and shall promptly furnish to Agent all renewal notices and evidence that all premiums or portions thereof then due and payable have been paid. At least fifteen (15) days prior to the expiration date of the policies, Borrower shall deliver to Agent evidence of continued coverage, including a certificate of insurance, as may be satisfactory to Agent.

(b) Endorsements. In addition to the endorsements referred to in §7.7(a), all policies of insurance required by this Agreement shall contain clauses or endorsements to the effect that (i) no act or omission of Borrower or the applicable Restricted Subsidiary (or lessee), anyone acting for Borrower or such applicable Restricted Subsidiary (or lessee) (including, without limitation, any representations made in the procurement of such insurance), which might otherwise result in a forfeiture of such insurance or any part thereof, no occupancy or use of the Eligible Assets for purposes more hazardous than permitted by the terms of the policy, and no foreclosure or any other change in title to the Eligible Asset or any part thereof, shall affect the validity or enforceability of such insurance insofar as Agent is concerned, (ii) the insurer waives any right of setoff, counterclaim, subrogation, or any deduction in respect of any liability of any of Borrower or any Restricted Subsidiary, and Agent, (iii) such insurance is primary and without right of contribution from any other insurance which may be available, (iv) such policies shall not be modified, canceled or terminated prior to the scheduled expiration date thereof without the insurer thereunder giving at least thirty (30) days prior written notice to Agent by certified or registered mail, and (v) that Agent or Lenders shall not be liable for any premiums thereon or subject to any assessments thereunder, and shall in all events be in amounts sufficient to avoid any coinsurance liability. Upon request by Borrower, Agent and Borrower may approve variations in the foregoing requirements from time to time.

(c) <u>Separate Insurance</u>. Borrower and each Restricted Subsidiary shall cause any separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Agreement, to comply with the terms and provisions of this §7.7.

(d) <u>Flood Insurance</u>. In the event any Mortgage does not expressly exclude all Buildings (as defined in the applicable Flood Insurance Regulation) and Manufactured (Mobile) Homes (as defined in the applicable Flood Insurance Regulation) from the Mortgaged Property thereunder and such Mortgaged Property is located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a "special flood hazard area" with respect to which flood insurance has been made available under Flood Insurance Regulations, then the applicable Loan Party (A) has obtained and will maintain, with financially sound and reputable insurance companies (except to the extent that any insurance company insuring the Mortgaged Property of the Loan Party ceases to be financially sound and reputable after the Second Amendment Closing Date, in which case, the Borrower shall promptly replace such insurance company with a financially sound and reputable insurance company), such flood insurance with respect to such Mortgaged Property in such reasonable total amount as the Agent may from time to time reasonably require, and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Regulations and (B) promptly upon request of the Agent, will deliver to the Agent evidence of such compliance in form and substance reasonably acceptable to the Agent, including, without limitation, evidence of annual renewals of such insurance.

# §7.8 <u>Taxes</u>.

Borrower and each Restricted Subsidiary will duly pay and discharge, or cause to be paid and discharged, before the same shall become delinquent, all taxes, assessments and other governmental charges imposed upon it and its property, including, without limitation, any payments in lieu of taxes, sales and activities, or any part thereof, or upon the income or profits therefrom, as well as all claims for labor, materials or supplies that if unpaid might by law become a lien or charge upon any of its property or the property of Borrower or such Restricted Subsidiary; <u>provided</u> that any such tax, assessment, charge, levy or claim need not be paid if (a) the validity or amount thereof shall currently be contested in good faith by appropriate proceedings and Borrower or such Restricted Subsidiary shall have set aside on its books adequate reserves in accordance with GAAP with respect thereto, and (b) none of Borrower nor any Restricted Subsidiary's property nor any portion thereof or interest therein would be in any danger of sale, forfeiture or loss by reason of such proceeding and <u>provided further</u> that Borrower or such Restricted Subsidiary will pay, or cause to be paid, all such taxes, assessments, charges, levies or claims forthwith upon the commencement of proceedings to foreclose any lien that may have attached as security therefor.

# §7.9 Inspection of Property and Books.

Borrower and the Restricted Subsidiaries shall permit or cause the lessees to permit, Lenders, through Agent or any representative designated by Agent, at Borrower's expense and upon reasonable prior notice to visit and inspect any of their respective properties, to examine the books of account of Borrower and the Restricted Subsidiaries (and to make copies thereof and extracts therefrom) and to discuss the affairs, finances and accounts of the Borrower and the Restricted Subsidiaries with, and to be advised as to the same by, its officers, all at such reasonable times and intervals as Agent or any Lender may reasonably request.

#### §7.10 Compliance with Laws, Contracts, Licenses, and Permits.

Borrower and each Restricted Subsidiary swill comply, and use good faith efforts to cause the lessees to comply in the case of the Eligible Assets, in all respects with (i) all applicable laws, ordinances, regulations and requirements now or hereafter in effect wherever its business is conducted, including all Environmental Laws, (ii) the provisions of its Organizational Documents, (iii) the Eligible Leases and all mortgages, indentures, contracts, agreements and instruments to which it is a party or by which it or any of its properties may be bound, (iv) all applicable decrees, orders, and judgments, and (v) all licenses and permits required by applicable laws and regulations for the conduct of its business or the ownership, use or operation of its properties, except in each case where the failure to so comply would not reasonably be expected to have a Material Adverse Effect. If at any time while any Loan or Note is outstanding, any authorization, consent, approval, permit or license from any officer, agency or instrumentality of any government shall become necessary or required in order that Borrower and the Restricted Subsidiaries may fulfill any of their respective obligations hereunder or under the other Loan Documents, Borrower and the Restricted Subsidiaries will promptly take or cause to be taken all steps necessary to obtain such authorization, consent, approval, permit or license and furnish Agent and Lenders with evidence thereof. Borrower and its Subsidiaries will maintain in effect and enforce policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with Anti-Corruption Laws and applicable Sanctions Laws and Regulations.

#### §7.11 Further Assurances.

The Loan Parties will cooperate with Agent and Lenders and execute such further instruments and documents as Agent (or any Lender requesting through Agent) shall reasonably request to carry out to its satisfaction the transactions described in this Agreement and the other Loan Documents.

# §7.12 Plan Assets.

Borrower will do, or cause to be done, all things necessary to ensure that none of the Collateral will be deemed to be Plan Assets at any time.

#### §7.13 Registered Servicemark.

Without the prior written consent of Agent, no Eligible Asset shall be owned or operated by Borrower or any Restricted Subsidiary or any lessee under any registered or protected trademark, tradename, servicemark or logo unless the Borrower or the applicable Restricted Subsidiary grants to Agent for the benefit of Lenders of a perfected first priority security interest therein.

#### §7.14 Unrestricted Subsidiaries.

Borrower will cause the management, business and affairs of each of the Borrower and its Restricted Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, and separate financial statements of Unrestricted Subsidiaries and by not permitting properties of the Borrower and its Restricted Subsidiaries to be commingled) so that each Unrestricted Subsidiary that is a corporation or other legal entity will be treated as an entity separate and distinct from the Borrower and the Restricted Subsidiaries.

## §7.15 Rents; Power of Attorney.

Notwithstanding that, by the terms of the various Mortgages, Loan Parties are and will be assigning to Agent and Lenders all of the "Rents" (as defined therein) derived from the property covered thereby, and Loan Parties grant to Agent a power of attorney. So long as no Event of Default has occurred and is continuing Loan Parties may continue to receive from the payors thereof all such Rents, subject, however, to the Liens created under the Security Documents, which Liens are hereby affirmed and ratified, and Agent and Lenders will not attempt to enforce the assignment of Rents or exercise any power of attorney. Upon the occurrence and during the continuance of an Event of Default, Agent and Lenders may exercise all rights and remedies granted under the Security Documents subject to the terms thereof, including the right to obtain possession of all Rents then held by Loan Parties or to receive directly from the payors thereof all other Rents. In no case shall any failure, whether intentioned or inadvertent, by Agent or Lenders to collect directly any such Rents constitute in any way a waiver, remission or release of any of their rights under the Security Documents, nor shall any release of any Rents by Agent or Lenders to Loan Parties constitute a waiver, remission, or release of any other Rents or of any rights of Agent or Lenders to collect other Rents thereafter.

# §8. CERTAIN NEGATIVE COVENANTS OF LOAN PARTIES

Borrower and the other Loan Parties (as applicable) covenant and agree that, so long as any Loan, Note, or other Obligation (other than contingent indemnification obligations for which no claim has been asserted) is outstanding or any Lender has any obligation to make any Loans hereunder:

## §8.1 Restrictions on Indebtedness.

Neither Borrower nor any Restricted Subsidiary will create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness other than:

(i) the Obligations;

(ii) to the extent constituting Indebtedness, liabilities in respect of taxes, assessments, governmental charges or levies and claims for labor, materials and supplies to the extent that payment therefor shall not at the time be required to be made in accordance with the provisions of §7.8;

- (iii) Indebtedness in respect of judgments or awards that would not constitute an Event of Default;
- (iv) obligations under any Hedge Agreement incurred in the ordinary course of business for bona fide hedging

purposes;

(v) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business, or pursuant to netting services or otherwise in connection with deposit accounts;

(vi) Indebtedness in connection with surety (or similar) bonds, letters of credit and performance bonds obtained in the ordinary course of business in connection with workers' compensation obligations of the Loan Parties and in connection with other surety and performance bonds in the ordinary course of business, including without limitation, Borrower's and any Restricted Subsidiary's surety bonds, and indemnification obligations under surety bonds, incurred from time to time in connection with ownership of federal outer continental shelf rights-of-way;

(vii) prior to consummation of the MGP Equity Sale, and subject to the Master Intercreditor Agreement: (A) Indebtedness of MGP and UPS under the MGP/UPS Credit Facility and (B) Indebtedness of CMGI, MGP and UPS under the CMGI Intercompany Note Documents;

(viii) The Senior Unsecured Convertible Notes.

(ix) unsecured privately placed or public term senior Indebtedness in an aggregate principal amount not to exceed \$300,000,000, with a maturity not earlier than 6 months after the Maturity Date and on terms and conditions not materially more restrictive than the Loan Documents taken as a whole; provided, with respect to any such Indebtedness: (x) both immediately prior to and immediately following the issuance of such Indebtedness, no Default or Event of Default shall have occurred and be continuing, and (y) as of the date of such issuance of such Indebtedness, the financial covenants contained in §9.1 are satisfied on a *pro forma* basis after giving effect to the issuance of such Indebtedness and the application of the proceeds thereof, as if it occurred on the last day of the immediately following fiscal quarter.

(x) Refinancings of Indebtedness described in clauses (viii) and (ix) above, <u>provided</u>, that after giving effect to any such refinancing (A) Borrower's unrestricted pro forma cash liquidity (including, for purposes of this clause (x), the undrawn portion of the Borrowing Base that is then available for borrowing) as of the date of such refinancing is not less than \$5,000,000 and (B) the pro forma Senior Secured Recourse Leverage Ratio does not exceed 2.50:100 as of the last day of the prior fiscal quarter.

(xi) guarantees of Indebtedness permitted under this §8.1.

# §8.2 <u>Restrictions on Liens, Etc.</u>

Neither Borrower nor any Restricted Subsidiary will (a) create or incur or suffer to be created or incurred or to exist any lien, encumbrance, mortgage, pledge, negative pledge, charge, restriction or other security interest of any kind upon any of its property or assets of any character whether now owned or hereafter acquired, or upon the income or profits therefrom; (b) transfer any of its property or assets or the income or profits therefrom for the purpose of subjecting the same to the payment of Indebtedness or performance of any other obligation in priority to payment of its general creditors; (c) acquire, or agree or have an option to acquire, any property or assets upon conditional sale or other title retention or purchase money security agreement, device or arrangement; or (d) sell, assign, pledge or otherwise encumber any accounts, contract rights, general intangibles, chattel paper or instruments, with or without recourse (collectively the "Liens"); provided that the Loan Parties may create or incur or suffer to be created or incurred or to exist any of the following (the "Permitted Liens"):

(i) Liens for taxes, assessments and other governmental charges or claims for labor, material or supplies in respect of obligations not overdue or being contested in good faith;

(ii) Liens in favor of Agent and Lenders under the Loan Documents;

(iii) Liens arising in the ordinary course of business (including (A) Liens of carriers, warehousemen, mechanics, landlords and materialmen and other similar Liens imposed

by law and (B) Liens incurred in connection with worker's compensation, unemployment compensation and other types of social security (excluding Liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations) for sums not overdue or being diligently contested in good faith by appropriate proceedings and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves in accordance with GAAP and the execution or other enforcement of which is effectively stayed;

(iv) attachments, appeal bonds, judgments and other similar Liens, with respect to judgments that do not otherwise result in or cause an Event of Default;

(v) easements, rights of way, zoning ordinances, entitlements, minor defects or irregularities in title or survey, building codes and other land use laws and environmental restrictions, regulations and ordinances, and other similar Liens regulating the use or occupancy of real property or the activities conducted thereon which are imposed by a Governmental Authority having jurisdiction over such real property which are not violated in any material respect by the current use or occupancy of such real property and do not interfere in any material respect with the ordinary operation of the business of any Loan Party;

(vi) Liens arising under Article 2 or Article 4 of the Uniform Commercial Code and customary banker's liens and rights of set-off, revocation, refund or chargeback in favor of banks or other financial institutions where any Loan Party maintains deposits in the ordinary course of business;

(vii) Liens deemed to exist in connection with repurchase agreements and other similar investments to the extent such Investments are permitted under this Agreement;

(viii) non-recourse Liens on the Equity Interest of Unrestricted Subsidiaries; and

(ix) prior to consummation of the MGP Equity Sale, and subject to the Master Intercreditor Agreement: Liens on assets of MGP and UPS securing Indebtedness described in §8.1(vii).

# §8.3 <u>Restrictions on Investments</u>.

Neither Borrower nor any Restricted Subsidiary will make or permit to exist or to remain outstanding any Investment except Investments in:

(a) marketable direct or guaranteed obligations of the United States of America that mature within one (1) year from the date of purchase by any Loan Party;

(b) marketable direct obligations of any of the following: Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Federal Home Loan Banks, Federal National Mortgage Association, Government National Mortgage Association, Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Financing Banks, Export-Import Bank of the United States, Federal Land Banks, or any other agency or instrumentality of the United States of America;

(c) demand deposits, certificates of deposit, bankers acceptances and time deposits of United States banks having total assets in excess of \$100,000,000; provided, however, that the aggregate amount at the time of such Investment so invested with any single bank having total assets of less than \$1,000,000,000 will not exceed \$200,000;

(d) securities commonly known as "commercial paper" issued by a corporation organized and existing under the laws of the United States of America or any State which at the time of purchase are rated by Moody's or by S&P at not less than "P-1" if then rated by Moody's, and not less than "A-1", if then rated by S&P;

(e) mortgage-backed securities guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and other mortgage-backed bonds which at the time of purchase are rated by Moody's or by S&P at not less than "Aa" if then rated by Moody's and not less than "AA" if then rated by S&P;

(f) shares of so-called "money market funds" registered with the SEC under the Investment Company Act of 1940 which maintain a level per-share value, invest principally in investments described in the foregoing subsections (a) through (e) and have total assets in excess of \$50,000,000;

(g) Investments in other Loan Parties or in wholly owned Subsidiaries of any Loan Party that is or becomes a Guarantor substantially contemporaneously therewith pursuant to 5.1(a);

(h) Investments in the existing Subsidiaries of Borrower as of the Second Amendment Closing Date; and

(i) Investments in Unrestricted Subsidiaries after the Second Amendment Closing Date in an aggregate amount not in excess of \$60,000,000; provided that (i) after giving effect to any such Investment, the financial covenants contained in §9 shall be satisfied on a projected pro forma basis after giving effect to such Investment, (ii) no Default or Event of Default shall exist prior to or after giving effect to such Investment, and (iii) the proceeds of such Investment are used to acquire assets of the same type as the Eligible Assets.

# §8.4 Merger, Consolidation.

Neither Borrower nor the Restricted Subsidiaries will become a party to any dissolution, liquidation, merger, reorganization, consolidation or other business combination, or agree to or effect any asset acquisition or stock acquisition or other acquisition which may have a similar effect as any of the foregoing without the prior written consent of the Required Lenders.

#### §8.5 Compliance with Environmental Laws.

Neither Borrower nor any Restricted Subsidiary (nor any Unrestricted Subsidiary, if such violation hereof could reasonably be expected to result in a liability of such Unrestricted Subsidiary in excess of \$1,000,000) will do any of the following: (a) use any of its property as a facility for the handling, processing, storage or disposal of Hazardous Substances, except for quantities of Hazardous Substances used in the ordinary course of business and in material compliance with all applicable Environmental Laws, (b) cause or permit to be located on any of its property any underground tank or other underground storage receptacle for Hazardous Substances except in material compliance with Environmental Laws, (c) generate any Hazardous Substances on any of its property except as generated in the ordinary course of business and in material Laws, (d) cause a Release of Hazardous Substances on, upon or into any of its property which give rise to liability under CERCLA or any other Environmental Law, or (e) transport or arrange for the transport of any Hazardous Substances (except as required in the ordinary course of business and in material compliance with all Environmental Laws), and any such failure to comply with any of the foregoing clauses (a) through (e) shall continue unremedied for a period of thirty (30) days.

If Borrower or any Restricted Subsidiary (or any Unrestricted Subsidiary, if such Release could reasonably be expected to result in a liability of such Unrestricted Subsidiary in excess of \$1,000,000) causes or permits any Release of Hazardous Substances in violation of Environmental Laws to occur, Borrower or such Subsidiary shall cause the prompt containment and removal of such Hazardous Substances and remediation of the Eligible Asset in material compliance with all applicable Environmental Laws.

At any time after and during the continuation of an Event of Default, at any time that Agent or the Required Lenders shall have reasonable grounds to believe that a Release of Hazardous Substances may have occurred relating to any property of Borrower or its Restricted Subsidiaries (or any Unrestricted Subsidiaries, if such Release could reasonably be expected to result in a liability of such Unrestricted Subsidiary in excess of \$1,000,000), Agent may at its election (and will at the request of the Required Lenders) obtain such assessments, including, without limitation, environmental assessments of such property prepared by an Environmental Engineer as may be reasonably necessary for the purpose of evaluating or confirming whether any Hazardous Substances have been Released by Borrower or any such Subsidiary on such

property, which Release will result in a Material Adverse Effect. Such assessments may include detailed visual inspections of such property including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil or other samples, as well as such other investigations or analyses as are reasonably necessary for a determination of whether such Release results in a Material Adverse Effect. All reasonable costs related to such environmental assessments shall be at the sole cost and expense of Borrower.

At any time after and during the continuation of an Event of Default, Agent may, but shall never be obligated to, remove or cause the removal of any Hazardous Substances which are in violation of any Environmental Law from Borrower's or any Restricted Subsidiary's property (or if removal is prohibited by any Environmental Law or any other applicable law, physical restriction or other reason, take or cause the taking of such other action as is required to cause such property to be in material compliance with any Environmental Law) if Borrower or any Restricted Subsidiary fails to materially comply with its obligations hereunder with respect thereto; and Agent and its designees are hereby granted access to such property at any reasonable time or times, upon reasonable notice, to remove or cause such removal or to take or cause the taking of any such other action. All costs, including, without limitation, the reasonable costs incurred by Agent in taking the foregoing action, damages, liabilities, losses, claims, expenses (including attorneys' fees and disbursements) which are incurred by Agent, as the result of any Borrower's or any Restricted Subsidiary's failure to comply with the provisions of this §8.5, shall be paid by Borrower or such applicable Restricted Subsidiary to Agent upon demand by Agent and shall be additional obligations secured by the Security Documents, except for costs resulting from or related to Agent's gross negligence or willful misconduct.

#### §8.6 Distributions; Prepayments of Indebtedness.

(a) <u>Distributions</u>. No Distributions shall be made by Borrower or the Restricted Subsidiaries, except as permitted in this §8.6(a) Distributions are permitted as follows: (a) Borrower's Restricted Subsidiaries may make distributions to Borrower; and (b) if the Loans have not been declared due and payable in full following an Event of Default as provided in §12.1, Borrower may make Distributions equal to the greater of (i) the amount required in order to maintain REIT Status and (ii) the Applicable AFFO Percentage. The "<u>Applicable AFFO</u> <u>Percentage</u>" shall mean 100% of Adjusted Funds From Operations for the 12 month period ending on the last day of each fiscal quarter.

(b) <u>Prepayments of Indebtedness</u>. No prepayments, redemptions, purchases, defeasements or other satisfaction of any Indebtedness (other than the Obligations) shall be made by Borrower or the Restricted Subsidiaries prior to the scheduled maturity thereof in any manner, nor any payment in violation of any subordination terms of, any Indebtedness, except as permitted in this §8.6(b). Prepayments, redemptions, purchases, defeasements and other satisfactions of Indebtedness are permitted as follows: (a) regularly scheduled or required repayments or

redemptions of Indebtedness set forth in Schedule 8.6 and (b) refinancings and refundings of such Indebtedness in compliance with Section 8.1(x).

# §8.7 Organizational Documents; Material Contracts.

Neither Borrower nor any Restricted Subsidiary shall waive any provision, modify, amend, cancel, release, surrender, terminate or permit the modification, amendment, cancellation, release, surrender or termination of, any of its Organizational Documents or Material Contracts if such action could reasonably be expected to be materially detrimental to the Agent and Lenders.

#### §8.8 Certain Management Fees.

Neither Borrower nor any Restricted Subsidiary shall enter into any agreement with Corridor for the management of any Borrowing Base Asset unless the management fees payable to Corridor under such agreement are subordinated to the Obligations on terms reasonably satisfactory to the Required Lenders. Such terms shall include, without limitation, (i) suspension of Corridor's right to receive management fees upon either the occurrence of an Event of Default under §12.1(a) or (b) hereof or the acceleration of the Loans under §12.4 hereof, and (ii) the right of Agent to terminate any such management agreement from and after the foreclosure of such Borrowing Base Asset, but with the right of Corridor to continue to provide services and receive management fees if Agent elects not to terminate such management agreement.

### §8.9 Subsidiaries.

No Loan Party shall create or acquire any additional Restricted Subsidiary or redesignate an Unrestricted Subsidiary as a Restricted Subsidiary unless Borrower gives written notice to Agent of such creation or acquisition and complies with §§5.1 and 7.11.

#### §8.10 Designation and Conversion of Restricted and Unrestricted Subsidiaries; Debt of Unrestricted Subsidiaries.

(a) Unless designated as an Unrestricted Subsidiary on Schedule 6.1(b) as of the Second Amendment Closing Date, no Loan Party shall designate any Person that becomes a Subsidiary of the Borrower or any Restricted Subsidiary as an Unrestricted Subsidiary, except the Borrower may designate by written notification thereof to Agent, any Restricted Subsidiary, including a newly formed or newly acquired Subsidiary, as an Unrestricted Subsidiary if (i) prior, and after giving effect, to such designation, no Default would exist, (ii) the exclusion of Investments owned by such Subsidiary as Borrowing Base Assets would not cause the aggregate Outstanding Revolving Loans, Swing Line Loans and Letters of Credit to exceed (A) the Borrowing Base <u>minus</u> (B) the outstanding principal amount of the loans under the MGP/UPS Credit Facility, and (iii) such designation is deemed to be an Investment in an Unrestricted Subsidiary in an amount equal to the

book value as of the date of such designation of the Borrower's direct and indirect ownership interest in such Subsidiary and such Investment would be permitted to be made at the time of such designation under §8.3(j).

(b) No Loan Party shall designate any Unrestricted Subsidiary to be a Restricted Subsidiary, except if after giving effect to such designation, which shall be deemed to be a cash dividend in an amount equal to the lesser of the book value of the Borrower's direct and indirect ownership interest in such Subsidiary or the amount of the Borrower's cash investment previously made for purposes of the limitation on Investments under §8.3(j), (i) the representations and warranties of the Borrower and its Restricted Subsidiaries contained in each of the Loan Documents are true and correct in all material respects on and as of such date as if made on and as of the date of such redesignation (or, if stated to have been made expressly as of an earlier date, were true and correct as of such date), (ii) no Default would exist, and (iii) the Borrower and such newly-designated Restricted Subsidiary complies with the requirements of §§5.1 and 7.11.

(c) Neither Borrower nor any Restricted Subsidiary will incur, assume, guarantee or otherwise be or become liable for any Indebtedness of any of the Unrestricted Subsidiaries.

(d) Neither Borrower nor any Restricted Subsidiary will permit any Unrestricted Subsidiary to hold any Equity Interest in, or any Indebtedness of, the Borrower or any Restricted Subsidiary.

# §8.11 Limitations on Dispositions.

Neither Borrower nor any Restricted Subsidiary will Dispose of any of its material assets or properties or any material interest therein, except, to the extent not otherwise forbidden under the Security Documents:

- (a) Equity Interests of any of Borrower's Subsidiaries that is transferred to Borrower or a Guarantor;
- (b) Dispositions of property by any Restricted Subsidiary to Borrower or to a Guarantor;

(c) Dispositions of Borrowing Base Assets provided that with respect to any Dispositions of Borrowing Base Assets in an aggregate amount in excess of \$250,000 during any fiscal year, (i) no Default or Event of Default shall exist prior to or after giving effect to such Disposition, (ii) the Borrowing Base shall be reduced by the value of such Borrowing Base Asset, and (iii) the proceeds thereof shall be applied as a prepayment on the Obligations and, after giving effect to such prepayment and the reduction of the Borrowing Base pursuant to the foregoing clause (ii), the remaining Borrowing Base shall equal or exceed the outstanding Obligations; and

(d) Dispositions of non-Borrowing Base Assets that are Disposed of not in the aggregate in excess of \$50,000,000 during any fiscal year, provided that such Dispositions could not reasonably be expected to have a Material Adverse Effect.

(e) The MGP Equity Sale; provided that (i) the MGP Pipeline shall be distributed to CMGI prior thereto, (ii) the MGP Equity Sale shall have received FERC approval; (iii) Borrower shall have notified Agent and Lenders of the proposed MGP Lessee/Operator and provided the proposed form of the MGP Pipeline Lease to Agent and Lenders, and both such proposed MGP Lessee/Operator, and such proposed form of the MGP Pipeline Lease, shall be satisfactory to Agent in its reasonable discretion in all respects, (iv) contemporaneous therewith (w) the CMGI Intercompany Note shall be retired and all guaranties thereof shall be terminated, (x) all outstanding Indebtedness under the MGP/UPS Credit Facility shall be paid in full and commitments thereunder shall be terminated, (y) all Liens under the MGP/UPS Credit Facility and the CMGI Intercompany Note Documents shall be released and terminated, and (z) the Master Intercreditor Agreement shall be terminated.

No Disposition may be made pursuant to §8.11(c) unless (i) made for fair consideration to a Person who is not an Affiliate and (ii) no Default has occurred and is continuing at the time of such Disposition or would result therefrom.

## §8.12 Conduct of Businesses.

Neither Borrower nor any Subsidiary will engage to any material extent in any business other than the ownership of existing Investments and acquiring and financing midstream and downstream real estate assets within the U.S. energy infrastructure sector, entering into long-term triple net participating leases with energy companies, providing other types of capital to energy companies, including loans secured by energy infrastructure assets, related sale-leaseback and real property mortgage transactions.

## §8.13 Pinedale Indebtedness.

Borrower will not permit Pinedale to create, incur, assume, guarantee or be or remain liable, contingently or otherwise, with respect to any Indebtedness other than:

(a) Indebtedness under the Pinedale Term Loan Facility outstanding as of the Second Amendment Closing Date; and

(b) Indebtedness refinancing the Pinedale Term Loan Facility; provided (i) the principal amount of such refinancing Indebtedness shall not exceed \$70,000,000, (ii) Pinedale shall distribute all net proceeds of such refinancing Indebtedness to Borrower, and (iii) the financial covenants contained in §9 shall be satisfied on a projected pro forma basis after giving effect to such Distribution described in clause (ii).

# §9. FINANCIAL COVENANTS OF BORROWER

Borrower covenants and agrees that, so long as any Loan, Note or other Obligation is outstanding or any Lender has any obligation to make any Loans hereunder:

#### §9.1 Corporate Financial Covenants.

Commencing June 30, 2017:

(a) <u>Debt Service Coverage Ratio</u>. Borrower will not, as of the end of any fiscal quarter of Borrower, permit the Debt Service Coverage Ratio to be less than 2.00:1.00.

(b) <u>Total Leverage Ratio</u>. Borrower will not, as of the end of any fiscal quarter of Borrower, permit the Total Leverage Ratio to exceed 5.00:1.00.

(c) <u>Senior Secured Recourse Leverage Ratio</u>. Borrower will not, as of the end of any fiscal quarter of Borrower, permit the Senior Secured Recourse Leverage Ratio to exceed 3.00:1.00.

(d) <u>Total Funded Debt to Capitalization Percentage</u>. Borrower will not, as of the end of any fiscal quarter of Borrower, permit the Total Funded Debt to Capitalization Percentage to exceed 50.0%.

The determination of Borrower's compliance with the foregoing covenants and the components thereof by Agent shall be conclusive and binding absent manifest error.

# **§10. CLOSING CONDITIONS**

The obligations of Agent and Lenders to make the Loans and LC Issuer to issue the initial Letter of Credit hereunder shall be subject to the satisfaction of the following conditions precedent on or prior to the Closing Date:

# §10.1 Loan Documents.

Each of the Loan Documents (other than the Security Documents that are required pursuant to §11.4) shall have been duly executed and delivered by the respective parties thereto, shall be in full force and effect and shall be in form and substance satisfactory to the Required Lenders. Agent shall have received a fully executed copy of each such document, except that each Lender shall have received a fully executed counterpart of its Note or Notes.

## §10.2 Certified Copies of Organizational Documents.

Agent shall have received from Borrower a copy, certified as of a recent date by the appropriate officer of each State in which each Loan Party is organized or in which the

Eligible Assets are located and a duly authorized member, manager, partner or officer of such Loan Party, as applicable, to be true and complete, of the Organizational Documents of such Loan Party, as applicable, or its qualification to do business, as applicable, as in effect on such date of certification.

# §10.3 Resolutions.

All action on the part of each Loan Party necessary for the valid execution, delivery and performance by such Loan Party of this Agreement and the other Loan Documents (as applicable) to which such Person is or is to become a party shall have been duly and effectively taken, and evidence thereof satisfactory to Agent shall have been provided to Agent. Agent shall have received from each Loan Party true copies of their respective resolutions adopted by their respective board of directors or other governing body authorizing the transactions described herein, each certified by its secretary, assistant secretary or other appropriate representative as of a recent date to be true and complete.

## §10.4 Incumbency Certificate; Authorized Signers.

Agent shall have received from each Loan Party, an incumbency certificate, dated as of the Closing Date, signed by a duly authorized officer of such Loan Party and giving the name and bearing a specimen signature of each individual who shall be authorized to sign, in the name and on behalf of such Loan Party, each of the Loan Documents to which such Person is or is to become a party. Agent shall have also received from Borrower a certificate, dated as of the Closing Date, signed by a duly authorized member of Borrower and giving the name and specimen signature of each individual who shall be authorized to make Loan Requests and Conversion Requests, and to give notices and to take other action on behalf of Borrower under the Loan Documents.

## §10.5 Opinion of Counsel.

Agent shall have received a favorable opinion addressed to Lenders and Agent and dated as of the Closing Date, in form and substance reasonably satisfactory to Agent, from counsel of Borrower and the other Loan Parties, and counsel in such other states as may be requested by Agent, as to such matters as Agent shall reasonably request.

# §10.6 Receipt of New Capital Proceeds.

Agent shall have received evidence reasonably satisfactory to Agent that Borrower shall have received proceeds from the issuance of new junior capital (unsecured convertible debt, preferred and/or common equity) in an amount not less than \$100,000,000, including proceeds from the issuance of new common (and/or preferred) equity in an amount not less than \$50,000,000.

# §10.7 GIGS Acquisition; GIGS Lease.

(a) Agent's review of Grand Isle Corridor's title to GIGS and any environmental matters with respect thereto shall be satisfactory to Agent in all material respects, and Agent shall have received copies of all such title and environmental information with respect thereto as reasonably requested by Agent, (b) Agent shall have received a final executed copy of the GIGS Purchase Agreement, the material terms of which shall be satisfactory to Agent in all material respects, copies of lien releases and other release documentation delivered pursuant thereto as required thereby with respect to credit facilities at Energy XXI, Ltd. and its subsidiaries secured by GIGS, which shall be satisfactory to Agent in all respects, and such other related documents as Agent may request, (c) Agent shall have received a summary or draft appraisal of GIGS, in form and substance satisfactory to Agent in all respects, showing an appraised value of GIGS of not less than the final purchase price under the GIGS Purchase Agreement, (d) Grand Isle Corridor's acquisition of GIGS pursuant to the terms thereof shall have been consummated, and (e) Agent shall have received a final executed copy of the GIGS Lease, the material terms of which shall be satisfactory to Agent in all material respects.

# §10.8 Payment of Fees.

Borrower shall have paid to Agent the fees payable pursuant to §4.2.

## §10.9 Insurance.

Agent shall have received evidence satisfactory to it that the insurance coverages required by this Agreement or the other Loan Documents are in effect and any necessary flood insurance certifications with respect to the Borrowing Base Assets, including GIGS.

## §10.10 Performance; No Default.

Borrower and the other Loan Parties shall have performed and complied with all terms and conditions herein required to be performed or complied with by them on or prior to the Closing Date, and on the Closing Date there shall exist no Default or Event of Default.

### §10.11 Representations and Warranties.

The representations and warranties made by Borrower and each of the other Loan Parties in the Loan Documents or otherwise made by or on behalf of Borrower each of the other Loan Parties in connection therewith on the date thereof shall have been true and correct in all material respects when made and shall also be true and correct in all material respects on the Closing Date, and Agent shall have received written confirmation thereof from the Loan Parties.

# §10.12 Proceedings and Documents.

No proceeding challenging or seeking to enjoin any of the transactions contemplated by the Loan Documents, or which could reasonably be expected to have a Material Adverse Effect shall be pending or shall have been threatened.

## §10.13 Compliance Certificate.

A Compliance Certificate dated as of the date of the Closing Date demonstrating compliance with each of the covenants calculated therein as of the most recent fiscal quarter end for which Borrower has provided financial statements under §6.4 adjusted in the best good faith estimate of Borrower dated as of the date of the Closing Date shall have been delivered to Agent.

## §10.14 Other Documents.

Agent shall have received executed copies of all other material agreements as Agent may have reasonably requested.

## §10.15 Reserved.

# §10.16 No Litigation.

Agent shall have received satisfactory evidence that there are no actions, suits, investigations or proceedings pending or threatened, in any court or before any arbitrator or other Governmental Authority that purports to adversely affect Borrower or any other Loan Party, or any transaction contemplated hereby, that could reasonably be expected to have a Material Adverse Effect.

## §10.17 Other.

Agent shall have reviewed such other documents, instruments, certificates, opinions, assurances, consents and approvals as Agent or Agent's Special Counsel may reasonably have requested.

For all purposes hereof, notwithstanding the foregoing conditions precedent (i) any Revolving Loans made on the Closing Date shall be deemed to have occurred immediately prior to the consummation of the acquisition by Borrower of GIGS, and (ii) the GIGS Mortgage shall be deemed to have been executed and delivered immediately following the consummation of such acquisition.

# §11. CONDITIONS TO ALL BORROWINGS

The obligations of Lenders to make any Loan and LC Issuer to issue any Letter of Credit, whether on or after the Closing Date, shall also be subject to the satisfaction of the following conditions precedent:

# §11.1 Representations True; No Default.

Each of the representations and warranties made by Borrower and each other Loan Party contained in this Agreement, the other Loan Documents or in any document or instrument delivered pursuant to or in connection with this Agreement shall be true in all material respects both as of the date as of which they were made and shall also be true in all material respects as of the time of the making of such Loan or issuance of such Letter of Credit, as applicable, with the same effect as if made at and as of that time, except to the extent of changes resulting from transactions permitted by the Loan Documents (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date), and no Default or Event of Default shall have occurred and be continuing, or shall result from the making of such Loan or issuance of such Letter of Credit, as applicable.

# §11.2 No Legal Impediment.

No change shall have occurred in any law or regulations thereunder or interpretations thereof that in the reasonable opinion of any Lender or LC Issuer, as applicable, would make it illegal for such Lender to make such Loan or for LC Issuer to issue such Letter of Credit, as applicable.

# §11.3 Borrowing Documents.

Agent shall have received a fully completed Loan Request for such Loan or request for Letter of Credit for such Letter of Credit and the other documents and information as required by §2.5.

# §11.4 Security Documents.

In the case of any Loan being made to fund the purchase of an Eligible Asset or Eligible Mortgage, the Security Documents related to the Eligible Asset or Eligible Mortgage, as applicable, shall have been delivered to Agent at Borrower's expense, granting Agent a first-priority Lien on the Eligible Asset or Eligible Mortgage, as applicable, subject only to Permitted Liens, together with the other documents required pursuant to §5.1(a) with respect thereto. Borrower shall have paid any mortgage, recording, intangible, documentary stamp or other similar taxes or charges which Agent reasonable determines to be payable as a result of such Loan or the recording of such Security Documents to any state or any county or municipality thereof in which the Eligible Asset is located, if applicable. Agent shall have received and reviewed certificates issued by the appropriate Governmental Authority or third party indicating that such Eligible Asset or the real property subject to such Eligible Mortgage, as applicable, is not designated as a "flood hazard area".

## §11.5 Financial Covenants.

So long as any Senior Unsecured Convertible Notes or any Indebtedness issued pursuant to §8.1(ix) shall remain outstanding, the financial covenants contained in §9.1 shall be satisfied on a *pro forma* basis as of the time of the making of such Loan or the issuance of such Letter of Credit after giving effect to the making of such Loan or the issuance of such Letter of Credit, as if the making of such Loan or the issuance of such Letter of Credit occurred on the last day of the immediately preceding fiscal quarter.

## **§12.** EVENTS OF DEFAULT; ACCELERATION; ETC.

### §12.1 Events of Default and Acceleration.

If any of the following events ("<u>Events of Default</u>" or, if the giving of notice or the lapse of time or both is required, then, prior to such notice or lapse of time, "<u>Defaults</u>") shall occur:

(a) Borrower shall fail to pay any principal of the Loans when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment;

(b) Borrower shall fail to pay any interest on the Loans or any other sums due hereunder or under any of the other Loan Documents when the same shall become due and payable, whether at the stated date of maturity or any accelerated date of maturity or at any other date fixed for payment, and such failure shall continue for ten (10) days (provided that such grace period will not apply to interest due upon the maturity of the Obligations);

(c) Borrower or any other Loan Party shall fail to comply with any covenant contained in §7.4, §7.9, §8 or §9;

(d) Borrower or any other Loan Party shall fail to perform any other term, covenant or agreement contained herein or in any of the other Loan Documents (other than those specified in the other subclauses of this §12); and such failure shall continue for thirty (30) days after written notice thereof shall have been given to Borrower by Agent;

(e) Any representation or warranty made by any Loan Party in this Agreement or in any other Loan Document to which it is a party, or in any report, certificate, financial statement, request for a Loan, or in any other document or instrument delivered pursuant to or in connection with this Agreement, any advance of a Loan, or any of the other Loan Documents shall prove to have been false or misleading in any material respect upon the date when made or deemed to have been made or repeated;

(f) (i) Borrower or any Restricted Subsidiary shall fail to pay at maturity or otherwise when due, or within any applicable period of grace, any obligation for borrowed money or credit received or other Indebtedness having an aggregate principal amount outstanding of at least \$100,000, or fail to observe or perform any material term, covenant or agreement contained in any agreement by which it is bound, evidencing or securing any such borrowed money or credit received or other Indebtedness and remain uncured for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity thereof, including without limitation the occurrence of any "Event of Default" (A) (as such term is defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility and (B) (as such term is defined in the Senior Unsecured Convertible Notes or the Senior Unsecured Convertible Notes or the Senior Unsecured Convertible Note Indenture; or (ii) any Unrestricted Subsidiary shall fail to pay at maturity or otherwise when due, or within any applicable period of grace, any obligation for borrowed money or credit received or other Indebtedness having an aggregate principal amount outstanding of at least \$5,000,000, or fail to comply with any financial covenant with respect thereto, or any bankruptcy or insolvency default with respect to such Unrestricted Subsidiary shall occur under any agreement by which it is bound, evidencing or securing any such borrowed money or credit received or other Indebtedness and remain uncured for such period of time as would permit (assuming the giving of appropriate notice if required) the holder or holders thereof or of any obligations issued thereunder to accelerate the maturity or otherwise when due, or within any applicable period of grace, any obligation for borrowed money or credit received or other Indebtedness having an aggregate principal amount outstanding of at least \$5,000,00

(g) Borrower or any Restricted Subsidiary (or any Unrestricted Subsidiary with assets in excess of \$5,000,000) (1) shall make an assignment for the benefit of creditors, or admit in writing its general inability to pay or generally fail to pay its debts as they mature or become due, or shall petition or apply for the appointment of a trustee or other custodian, liquidator or receiver of Borrower or any such Subsidiary or of any substantial part of the assets of any thereof, including, without limitation, any Eligible Asset, (2) shall commence any case or other proceeding relating to Borrower or any of such Subsidiaries under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, or (3) shall take any action to authorize or in furtherance of any of the foregoing;

(h) A petition or application shall be filed for the appointment of a trustee or other custodian, liquidator or receiver of Borrower or any Restricted Subsidiary (or any Unrestricted Subsidiary with assets in excess of \$5,000,000), or any substantial part of the assets of any thereof, including, without limitation, any Eligible Asset, or a case or other proceeding shall be commenced against Borrower or such Subsidiary under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect, and Borrower or such Subsidiary shall indicate its approval thereof, consent thereto or acquiescence therein or such petition, application, case or proceeding shall not have been dismissed within ninety (90) days following the filing or commencement thereof;

(i) A decree or order is entered appointing any such trustee, custodian, liquidator or receiver or adjudicating Borrower or any Restricted Subsidiary (or any Unrestricted Subsidiary with assets in excess of \$5,000,000) bankrupt or insolvent, or approving a petition in any such case or other proceeding, or a decree or order for relief is entered in respect of Borrower or any such Subsidiary in an involuntary case under federal bankruptcy laws as now or hereafter constituted;

(j) There shall remain in force, undischarged, unsatisfied and unstayed, for more than sixty (60) days, whether or not consecutive, any final judgment against Borrower or any of its Subsidiaries, that, with other outstanding final judgments, undischarged, against Borrower and its Restricted Subsidiaries exceeds in the aggregate \$100,000 (or against Unrestricted Subsidiaries exceeds in the aggregate \$5,000,000) (to the extent not paid or covered by insurance);

(k) If any of the Loan Documents shall be canceled, terminated, revoked or rescinded otherwise than in accordance with the terms thereof or with the express prior written agreement, consent or approval of Lenders, or any action at law, suit in equity or other legal proceeding to cancel, revoke or rescind any of the Loan Documents shall be commenced by or on behalf of any Loan Party or any of their respective stockholders, partners, members or beneficiaries, or any court or any other governmental or regulatory authority or agency of competent jurisdiction shall make a determination that, or issue a judgment, order, decree or ruling to the effect that, any one or more of the Loan Documents is illegal, invalid or unenforceable in accordance with the terms thereof;

 Any dissolution, termination, partial or complete liquidation, merger or consolidation of any Loan Party, or any sale, transfer or other disposition of the assets of any Loan Party, other than as permitted under the terms of this Agreement or the other Loan Documents;

(m) Borrower or any of its Subsidiaries shall be indicted for a federal crime, a punishment for which could include the forfeiture of any assets of Borrower included in the Collateral;

(n) With respect to any Guaranteed Pension Plan, an ERISA Reportable Event shall have occurred that reasonably could be expected to result in liability of any Loan Party to the PBGC or such Guaranteed Pension Plan in an aggregate amount exceeding \$1,000,000 and such event in the circumstances occurring reasonably could constitute grounds for the termination of such Guaranteed Pension Plan by the PBGC or for the appointment by the appropriate United States District Court of a trustee to administer such Guaranteed Pension Plan; or a trustee shall have been appointed by the United States District Court to administer such Guaranteed Pension Plan; or the PBGC shall have instituted proceedings to terminate such Guaranteed Pension Plan;

(o) A Change of Control shall occur without the prior written approval of all of Lenders (which consent may be withheld by Lenders in their sole and absolute discretion);

(p) Any Event of Default, as defined in any of the other Loan Documents, shall occur;

(q) Any amendment to or termination of a financing statement naming any Loan Party as debtor and Agent as secured party relating to the Collateral, or any correction statement with respect thereto, is filed in any jurisdiction by, or caused by, or at the instance of any Loan Party without the prior written consent of Agent (except to the extent of a release of Collateral permitted by this Agreement); or any amendment to or termination of a financing statement naming any Loan Party as debtor and Agent as secured party, or any correction statement with respect thereto, is filed in any jurisdiction by any party other than Agent or Agent's counsel (or by Borrower at Agent's direction) without the prior written consent of Agent and Borrower fails to use its best efforts to cause the effect of such filing to be completely nullified to the reasonable satisfaction of Agent within ten (10) days after notice to Borrower thereof; or

(r) Borrower shall cease to maintain its REIT Status;

then, and in any such event, Agent may, and upon the request of the Required Lenders shall, by notice in writing to Borrower declare all amounts owing with respect to this Agreement, the Notes and the other Loan Documents to be, and they shall thereupon forthwith become, immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by Borrower; <u>provided</u> that in the event of any Event of Default specified in §12.1(g), §12.1(h) or §12.1(i), all such amounts shall become immediately due and payable automatically and without any requirement of notice from any of Lenders or Agent;

## §12.2 Limitation of Cure Periods.

Notwithstanding anything in this Agreement or any other Loan Document to the contrary, any reference in this Agreement or any other Loan Document to "the continuance of a default" or "the continuance of an Event of Default" or any similar phrase shall not create or be deemed to create any right on the part of Borrower, any other Loan Party, or any other Person to cure any default following the expiration of any applicable grace or notice and cure period.

#### §12.3 [RESERVED].

#### §12.4 Remedies.

(a) In case any one or more of the Events of Default shall have occurred and be continuing, and whether or not Lenders shall have accelerated the maturity of the Loans and other Obligations pursuant to §12.1, Agent on behalf of Lenders may, and upon direction of the Required Lenders shall, proceed to protect and enforce their rights and remedies under this Agreement, the Notes or any of the other Loan Documents by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this

Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are evidenced, including to the full extent permitted by applicable law the obtaining of the *ex parte* appointment of a receiver, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right. No remedy herein conferred upon Agent or the holder of any Note is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of law. In the event that all or any portion of the Obligations is collected by or through an attorney-at-law, Borrower shall pay all costs of collection including, but not limited to, reasonable attorney's fees. Notwithstanding the provisions of this Agreement providing that the Loans may be evidenced by multiple Notes in favor of Lenders, Lenders acknowledge and agree that only Agent may exercise any remedies arising by reason of a Default or Event of Default, including without limitation, bringing any suit for collection of any Note.

## §12.5 Distribution of Collateral Proceeds.

In the event that, following the occurrence or during the continuance of any Event of Default, any monies are received in connection with the enforcement of any of the Loan Documents, or otherwise with respect to the realization upon any of the assets of any Loan Party or any other Person liable with respect to the Obligations (including the Collateral), such monies shall be distributed for application as follows:

(a) <u>First</u>, to the payment of, or (as the case may be) the reimbursement of, Agent for or in respect of all reasonable costs, expenses, disbursements and losses which shall have been incurred or sustained by Agent to protect or preserve the Collateral or in connection with the collection of such monies by Agent, for the exercise, protection or enforcement by Agent of all or any of the rights, remedies, powers and privileges of Agent under this Agreement or any of the other Loan Documents or in respect of the Collateral or in support of any provision of adequate indemnity to Agent against any taxes or liens which by law shall have, or may have, priority over the rights of Agent to such monies;

(b) Second, to all other Obligations in the following order: (i) first to the payment of any fees or charges outstanding hereunder or under the other Loan Documents (excluding any Hedge Agreements), (ii) next to any accrued and outstanding Default Rate interest, (iii) next to any accrued and outstanding interest on the Loans and Matured LC Obligations, (iv) next to any Outstanding principal on the Loans and Matured LC Obligations (v) next to obligations to Cash Collateralize LC Obligations pursuant to §2.15, and (vi) last to any remaining Obligations (including with respect to any Hedge Agreement) in such order as the Required Lenders may determine; provided, however, that (A) in the event that any Lender shall have wrongfully failed or refused to make an advance under §2.5 or §2.6 and such failure or refusal shall be continuing, advances made by other Lenders during the pendency of such failure or refusal shall be entitled to be repaid as to

principal and accrued interest in priority to the other Obligations described in this §12.5(b), (B) Obligations owing to Lenders such as interest, principal, fees and expenses, shall be made among such Lenders *pro rata* in accordance with their Percentages, and (C) amounts received from any Guarantor that is not a Qualified ECP Guarantor, or from proceeds of any Collateral provided by any Guarantor that is not a Qualified ECP Guarantor, or from proceeds of any Collateral provided by any Guarantor that is not a Qualified ECP Guarantor, shall not be applied to Excluded Swap Obligations; and <u>provided</u>, <u>further</u>, that the Required Lenders may in their discretion make proper allowance to take into account any Obligations not then due and payable; and

(c) <u>Third</u>, the excess, if any, shall be returned to Borrower or to such other Persons as are entitled thereto.

#### §13. SETOFF

## §13.1 Setoff.

Regardless of the adequacy of any Collateral, during the continuance of any Event of Default, any deposits (general or specific, time or demand, provisional or final, regardless of currency, maturity, or the branch of where such deposits are held) or other sums credited by or due from Agent or any of Lenders to any of the Loan Parties and any securities or other property of the Loan Parties in the possession of Agent or any Lender may be applied to or setoff against the payment of Obligations and any and all other liabilities, direct, or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, of the Loan Parties, to such Lender; <u>provided</u> that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so setoff shall be paid over immediately to Agent for further application in accordance with the provisions of §14.5 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. Upon the occurrence and during the continuance of an Event of Default, any Lender, including Agent, may, but shall not be obligated to freeze withdrawals from any account of the Loan Parties held by such Lender. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender agrees to notify Borrower and Agent promptly after any such setoff and application; <u>provided</u> that the failure to give such notice shall not affect the validity of such setoff and application.

## §13.2 Sharing of Payments by Lenders.

If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans, its

participations in LC Obligations or in Swing Line Loans held by it, or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans or participations and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders and subparticipations in LC Obligations and Swing Line Loans, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them (except that with respect to any other Lender that is a Defaulting Lender by virtue of such Lender failing to fund its required share (if any) of any Loan or LC Obligation, such Defaulting Lender's pro rata share of the excess payment shall be allocated to the Lender (or the Lenders, pro rata) that funded such Defaulting Lender's required share (if any)); provided that:

(a) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(b) the provisions of this Section shall not be construed to apply to (i) any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in §2.15, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or subparticipations in LC Obligations or Swing Line Loans to any assignee or participant, other than an assignment to Borrower or any Affiliate thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation.

# §14. THE AGENT

## §14.1 Authorization.

Each of the Lenders and LC Issuer hereby irrevocably appoints Regions to act on its behalf as Agent hereunder and under the other Loan Documents and authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incident thereto,

provided that no duties or responsibilities not expressly assumed herein or therein shall be implied to have been assumed by Agent. The obligations of Agent hereunder are primarily administrative in nature, and nothing contained in this Agreement or any of the other Loan Documents shall be construed to constitute Agent as a trustee or fiduciary for any Lender or LC Issuer or to create any agency or fiduciary relationship. Agent shall act as the contractual representative of Lenders and LC Issuer hereunder, and notwithstanding the use of the term "Agent", it is understood and agreed that Agent shall not have any fiduciary duties or responsibilities to any Lender or LC Issuer by reason of this Agreement or any other Loan Document and is acting as an independent contractor, the duties and responsibilities of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Borrower and any other Person shall be entitled to conclusively rely on a statement from Agent that it has the authority to act for and bind Lenders and LC Issuer pursuant to this Agreement and the other Loan Documents.

# §14.2 Employees and Agents.

Agent may exercise its rights and powers and execute any and all of its duties hereunder or under any other Loan Document by or through employees or agents and shall be entitled to take, and to rely on, advice of counsel concerning all matters pertaining to its rights and duties under this Agreement and the other Loan Documents. Agent and any such agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such agent and to the Related Parties of Agent and any such agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent. Agent may utilize the services of such Persons as Agent may reasonably determine, and all reasonable fees and expenses of any such Persons shall be paid by Borrower.

## §14.3 No Liability.

Neither Agent nor any of its shareholders, directors, officers or employees nor any other Person assisting them in their duties nor any agent, or employee thereof, shall be liable to Lenders or LC Issuer for any waiver, consent or approval given or any action taken, or omitted to be taken, in good faith by it or them hereunder or under any of the other Loan Documents, or in connection herewith or therewith, or be responsible for the consequences of any oversight or error of judgment whatsoever, except that Agent or such other Person, as the case may be, shall be liable for losses due to its willful misconduct or gross negligence. Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) reasonably believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Agent also may rely upon any statement made to it orally or by telephone and reasonably believed by it to have

been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal, or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or LC Issuer, Agent may presume that such condition is satisfactory to such Lender or LC Issuer unless Agent shall have received notice to the contrary from such Lender or LC Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Agent may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

# §14.4 No Representations.

Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to any Loan Party or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity.

Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of Lenders as shall be necessary, or as Agent shall believe in good faith shall be necessary, under the circumstances as provided in §27 and §12.4) or (ii) in the absence of its own gross negligence or willful misconduct. Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to Agent by any Loan Party or any Lender or LC Issuer.

Agent shall not be responsible for the execution or validity or enforceability of this Agreement, the Notes, any of the other Loan Documents or any instrument at any time



constituting, or intended to constitute, collateral security for the Notes, or for the value of any such collateral security or for the validity, enforceability or collectability of any such amounts owing with respect to the Notes, or for any recitals or statements, warranties or representations made herein, or any agreement, instrument or certificate delivered in connection therewith or in any of the other Loan Documents or in any certificate or instrument hereafter furnished to it by or on behalf of Borrower or any other Loan Party, or be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or in any other of the Loan Documents.

Agent shall not be bound to ascertain whether any notice, consent, waiver or request delivered to it by Borrower, any other Loan Party or any holder of any of the Notes shall have been duly authorized or is true, accurate and complete. Agent has not made nor does it now make any representations or warranties, express or implied, nor does it assume any liability to Lenders or LC Issuer, with respect to the creditworthiness or financial condition of Borrower or any other Loan Party or the value of the Collateral or any other assets of such Persons.

Each Lender and LC Issuer acknowledges that it has, independently and without reliance upon Agent, LC Issuer or any other Lender or any of their Related Parties, and based upon such information and documents as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and LC Issuer also acknowledges that it will, independently and without reliance upon Agent, LC Issuer or any other Lender or any of their Related Parties, based upon such information and documents as it deems appropriate at the time, continue to make its own credit analysis and decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

## §14.5 Payments.

(a) A payment by any Loan Party to Agent hereunder or under any of the other Loan Documents for the account of any Lender shall constitute a payment to such Lender. Agent agrees to distribute to each Lender not later than one (1) Business Day after Agent's receipt of good funds, determined in accordance with Agent's customary practices, such Lender's *pro rata* share of payments received by Agent for the account of Lenders except as otherwise expressly provided herein or in any of the other Loan Documents; provided that if any Lender then owes payments to LC Issuer or Swing Line Lender for the purchase of a participation under §2.12(c) or §2.16(c), any amounts otherwise distributable under this section to such Lender shall be deemed to belong to LC Issuer or Swing Line Lender to the extent of such unpaid payments, and Agent shall apply such amounts to make such unpaid payments rather than distribute such amounts to such Lender.

(b) If in the opinion of Agent the distribution of any amount received by it in such capacity hereunder, under the Notes or under any of the other Loan Documents might involve

it in liability, it may refrain from making distribution until its right to make distribution shall have been adjudicated by a court of competent jurisdiction. If a court of competent jurisdiction shall adjudge that any amount received and distributed by Agent is to be repaid, each Person to whom any such distribution shall have been made shall either repay to Agent its proportionate share of the amount so adjudged to be repaid or shall pay over the same in such manner and to such Persons as shall be determined by such court.

(c) No Defaulting Lender shall be entitled to receive any fees otherwise due such Lender for any period during which that Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender). The Defaulting Lender shall be limited in its right to receive Letter of Credit Fees as provided in §2.13. If Borrower, Agent, Swing Line Lender and LC Issuer agree in writing that a Lender is no longer a Defaulting Lender, Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which conditions may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held pro rata by the Lenders in accordance with the Percentages, whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of Borrower while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(d) Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law, any payment of principal, interest, fees or other amounts received by Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to §12 or otherwise) or received by Agent from a Defaulting Lender pursuant to §13 shall be applied at such time or times as may be determined by Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by that Defaulting Lender to LC Issuer or Swing Line Lender hereunder; third, if so determined by Agent or requested by LC Issuer or Swing Line Lender, to be held as Cash Collateral for future funding obligations of that Defaulting Lender of any participation in any Swing Line Loan or Letter of Credit; fourth, as Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by Agent; fifth, if so determined by Agent and Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations

with respect to Loans under this Agreement and; <u>sixth</u>, to the payment of any amounts owing to the Lenders, LC Issuer or Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, LC Issuer or Singe Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; <u>seventh</u>, so long as no Default or Event of Default exists, to the payment of any amounts owing to Borrower as a result of any judgment of a court of competent jurisdiction obtained by Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and <u>eighth</u>, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Loans or Matured LC Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans or Matured LC Obligations were made at a time when the conditions set forth in §11 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and Matured LC Obligations owed to, all non-Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this §14.5(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(e) <u>Reallocation of Percentages to Reduce Fronting Exposure</u>. All or any part of that Defaulting Lender's participation in LC Obligations and Swing Line Loans shall be reallocated among the non-Defaulting Lenders in accordance with their respective Percentages (calculated without regard to that Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in §11 are satisfied at the time of such reallocation (and, unless Borrower shall have otherwise notified Agent at such time, Borrower shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate amount of the Revolving Loans and participations in LC Obligations and Swing Line Loans of any non-Defaulting Lender to exceed the lesser of (1) such non-Defaulting Lender's Revolving Commitment and (2) such non-Defaulting Lender's Percentage of (A) the Borrowing Base <u>minus</u> (B) the outstanding principal amount of the loans under the MGP/UPS Credit Facility (calculated without giving effect to any reallocations pursuant to this clause (e)). No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a non-Defaulting Lender as a result of such non-Defaulting Lender's increased exposure following such reallocation.

(f) <u>Cash Collateral; Repayment of Swing Line Loans</u>. If the reallocation described in the preceding clause (e) above cannot, or can only partially, be effected, Borrower shall, without prejudice to any right or remedy available to it hereunder or under Requirements, (1) first, prepay Swing Line Loans in an amount equal to the Swing Line Lender's Fronting Exposure

and (2) second, Cash Collateralize LC Issuer's Fronting Exposure in accordance with the procedures set forth in §2.15.

## §14.6 Holders of Notes.

Subject to the terms of §18, Agent may deem and treat the payee of any Note as the absolute owner or purchaser thereof for all purposes hereof until it shall have been furnished in writing with a different name by such payee or by a subsequent holder, assignee or transferee.

## §14.7 Indemnity.

Lenders ratably agree hereby to indemnify and hold harmless Agent from and against any and all claims, actions and suits (whether groundless or otherwise), losses, damages, costs, expenses (to the extent of any losses, damages, costs and expenses (and agrees to reimburse LC Issuer and Swing Line Lender for any costs and expenses incurred thereby in its capacity as such) for which Agent (or LC Issuer or Swing Line Lender) has not been reimbursed by Borrower as required by §15 or §16), and liabilities of every nature and character arising out of or related to this Agreement, the Notes or any of the other Loan Documents or the transactions contemplated or evidenced hereby or thereby, or Agent's actions taken hereunder or thereunder, except to the extent that any of the same shall be directly caused by Agent's willful misconduct or gross negligence.

# §14.8 Agent as Lender.

In its individual capacity, Regions shall have the same obligations and the same rights, powers and privileges in respect to its Revolving Commitment and the Loans made by it, and as the holder of any of the Notes as it would have were it not also Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with Borrower, any other Loan Party or other Affiliate thereof as if such Person were not Agent hereunder and without any duty to account therefor to Lenders.

# §14.9 Resignation.

Agent may resign at any time by giving thirty (30) calendar days' prior written notice thereof to Lenders, LC Issuer and Borrower. Upon any such resignation, the Required Lenders, subject to the terms of §18.1, shall have the right to appoint as a successor Agent any Lender or any other bank whose senior debt obligations are rated not less than "A" or its equivalent by Moody's or not less than "A" or its equivalent by S&P and which has a net worth of not less than \$500,000,000. Any such resignation shall be effective upon appointment and

acceptance of a successor agent selected by the Required Lenders. If no successor Agent shall have been so appointed and shall have accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation, then the retiring Agent may, on behalf of Lenders and LC Issuer, appoint a successor Agent, which shall be a bank whose debt obligations are rated not less than "A" or its equivalent by Moody's or not less than "A" or its equivalent by S&P Corporation and which has a net worth of not less than \$500,000,000, provided that if Agent shall notify Borrower and Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by Agent on behalf of Lenders or LC Issuer under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through Agent shall instead be made by or to each Lender and LC Issuer directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this paragraph. Unless a Default or Event of Default shall have occurred and be continuing, such successor Agent shall be reasonably acceptable to Borrower. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder as Agent. The fees payable by Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After any retiring Agent's resignation, the provisions of this Agreement and the other Loan Documents shall continue in effect for the benefit of such retiring Agent, its agents and their respective Related Parties in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

## §14.10 Duties in the Case of Enforcement.

In case one or more Events of Default have occurred and shall be continuing, and whether or not acceleration of the Obligations shall have occurred, Agent may and shall, if (a) so requested by the Required Lenders and (b) Lenders have provided to Agent such additional indemnities and assurances against expenses and liabilities as Agent may reasonably request, proceed to enforce the provisions of the Security Documents authorizing the sale or other disposition of all or any part of the Collateral and exercise all or any other legal and equitable and other rights or remedies as it may have. The Required Lenders may direct Agent in writing as to the method and the extent of any such exercise, Lenders hereby agreeing to indemnify and hold Agent harmless from all liabilities incurred in respect of all actions taken or omitted in accordance with such directions, provided that Agent need not comply with any such direction to the extent that Agent reasonably believes Agent's compliance with such direction to be unlawful or commercially unreasonable in any applicable jurisdiction.

## §14.11 Request for Agent Action.

Agent, LC Issuer and Lenders acknowledge that in the ordinary course of business of the Loan Parties, (a) the Loan Parties may enter into leases covering the Eligible Asset that may require the execution of a subordination, attornment and non-disturbance agreement, (b) the Eligible Asset may be subject to a condemnation or other taking, (c) the Loan Parties may desire to enter into easements or other agreements affecting the Eligible Asset, dedicate roads or utilities, or take other actions or enter into other agreements in the ordinary course of business which similarly require the consent, approval or agreement of Agent. In connection with the foregoing, LC Issuer and Lenders hereby expressly authorize Agent to (a) execute and deliver with the Loan Parties and any tenant, subordination, attornment and non-disturbance agreements with respect to any lease upon such terms as Agent in its good faith reasonable judgment determines are appropriate (Agent in the exercise of its good faith reasonable judgment may agree to allow some or all of the casualty, condemnation, restoration or other provisions of the applicable lease to control over the applicable provisions of the Loan Documents), (b) execute releases of Liens of Eligible Asset in connection with dispositions permitted in this Agreement or in connection with any condemnation or other taking, (c) execute consents or subordinations in form and substance reasonably satisfactory to Agent in connection with any easements, agreements, plats, dedications or similar matters affecting the Eligible Asset, or (d) execute consents, approvals, or other agreements in form and substance reasonably satisfactory to Agent in connection with such other actions or agreements as may be desirable by Agent or any tenant necessary in the ordinary course of the Loan Parties' respective businesses.

#### §14.12 Removal of Agent.

The Required Lenders may remove Agent from its capacity as agent in the event of Agent's willful misconduct or gross negligence. Such removal shall be effective upon appointment and acceptance of a successor agent selected by the Required Lenders. Any successor Agent must satisfy the conditions set forth in §14.9. Upon the acceptance of any appointment as agent hereunder by a successor agent, such successor agent shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the removed Agent, and the removed Agent shall be discharged from all further duties and obligations as Agent under this Agreement and the Loan Documents (subject to Agent's right to be indemnified as provided in the Loan Documents); provided that Agent shall remain liable to the extent provided herein or in the Loan Documents for its acts or omissions occurring prior to such removal or resignation.

## §14.13 Bankruptcy.

In the event a bankruptcy or other insolvency proceeding is commenced by or against Borrower or any other Loan Party, Agent shall have the sole and exclusive right and duty

to file and pursue a joint proof of claim on behalf of all Lenders and LC Issuer. Each Lender and LC Issuer irrevocably waives its right to file or pursue a separate proof of claim in any such proceedings.

## §15. EXPENSES

Borrower agrees to pay (a) the reasonable and documented costs of producing and reproducing this Agreement, the other Loan Documents and the other agreements and instruments mentioned herein, (b) all reasonable out-of-pocket expenses incurred by LC Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (c) any taxes (including any interest and penalties in respect thereto) payable by Agent, LC Issuer or any of Lenders, including any recording, mortgage, documentary or intangibles taxes in connection with the Mortgages and other Loan Documents, or other taxes payable on or with respect to the transactions contemplated by this Agreement (other than Excluded Taxes), except that Agent, LC Issuer and Lenders shall be entitled to indemnification for any and all amounts paid by them in respect of taxes based on income or other taxes assessed by any State in which Eligible Asset or other Collateral is located, such indemnification to be limited to taxes due solely on account of the granting of Collateral under the Security Documents, including any such taxes payable by Agent, LC Issuer or any of Lenders after the Closing Date (Borrower hereby agreeing to indemnify Agent, LC Issuer and each Lender with respect thereto), (d) all appraisal fees, engineer's fees, charges of Agent for commercial finance exams and engineering and environmental reviews and the reasonable and documented fees, expenses and disbursements of Agent, Agent's Special Counsel and any other counsel to Agent, counsel for Regions and any local counsel to Agent incurred in connection with the performance of due diligence and the preparation, negotiation, administration, or interpretation of the Loan Documents and other instruments mentioned herein, the addition and release of Collateral, each closing hereunder, and amendments, modifications, approvals, consents, waivers or Collateral releases hereto or hereunder, (e) the reasonable fees, expenses and disbursements of Agent incurred by Agent in connection with the performance of due diligence, underwriting analysis, credit reviews and the preparation, negotiation, administration, syndication or interpretation of the Loan Documents and other instruments mentioned herein, credit and collateral evaluations, the release, addition or substitution of additional Collateral, (f) all reasonable and documented out-of-pocket expenses (including reasonable attorneys' fees and costs, which attorneys may be employees of any Lender or Agent and the fees and costs of appraisers, engineers, investment bankers or other experts retained by any Lender or Agent) incurred by any Lender, LC Issuer or Agent in connection with (i) the enforcement of or preservation of rights under any of the Loan Documents against Borrower or other Loan Parties or the administration thereof after the occurrence of a Default or Event of Default (including, without limitation, the cost of all title examinations and title reports, Lien searches and related costs and expenses in order specifically to identify the Eligible Assets and the state of Borrower's

title thereto), (ii) the sale of, collection from or other realization upon any of the Collateral, and (iii) the failure of Borrower or the other Loan Parties to perform or observe any provision of the Loan Documents, and (g) all reasonable fees, expenses and disbursements of Agent incurred in connection with Uniform Commercial Code searches, Uniform Commercial Code filings or Mortgage recordings and, after the occurrence and during the continuance of an Event of Default, title rundowns and title searches. The covenants of this §15 shall survive payment or satisfaction of payment of amounts owing with respect to the Notes.

## **§16. INDEMNIFICATION**

Borrower agrees to indemnify and hold harmless Agent, Arrangers, LC Issuer and Lenders and each director, officer, employee, agent and Person who controls Agent, any Arranger, LC Issuer or any Lender (each such Person being called an "Indemnitee") from and against any and all claims, actions and suits, whether groundless or otherwise, and from and against any and all liabilities, losses, damages and expenses of every nature and character arising out of or relating to this Agreement or any of the other Loan Documents or the transactions contemplated hereby and thereby including, without limitation, (a) any leasing fees and any brokerage, finders or similar fees asserted against any Indemnitee based upon any agreement, arrangement or action made or taken, or alleged to have been made or taken, by the Loan Parties, (b) any condition, use, operation or occupancy of a Eligible Asset or other Collateral other than with respect to matters relating to such Eligible Asset and/or the Collateral first occurring after Agent or its nominee acquires title to such Eligible Asset by the exercise of its foreclosure remedies or transfer in lieu of foreclosure, (c) any actual or proposed use by Borrower of the proceeds of any of the Loans, (d) any Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by LC Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (e) any actual or alleged infringement of any patent, copyright, trademark, service mark or similar right of any of the Loan Parties comprised in the Collateral, (f) entering into or performing this Agreement or any of the other Loan Documents, (g) any actual or alleged violation of any law, ordinance, code, order, rule, regulation, approval, consent, permit or license relating to a Eligible Asset or the other Collateral, or (h) with respect to each Loan Party and its assets, including, without limitation, the Eligible Assets, the violation of any Environmental Law, the Release or threatened Release of any Hazardous Substances or any action, suit, proceeding or investigation brought or threatened with respect to any Hazardous Substances (including, but not limited to claims with respect to wrongful death, personal injury or damage to property), other than with respect to matters relating to such Eligible Asset and/or the Collateral first occurring after Agent or its nominee acquires title to such Eligible Asset by the exercise of its foreclosure remedies or transfer in lieu of foreclosure, in each case including, without limitation, the reasonable fees and disbursements of counsel and allocated costs of internal counsel incurred in connection with any such investigation, litigation or other

proceeding; provided, however, such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by Borrower against any Indemnitee for bad faith breach of such Indemnitee's obligations under this Agreement or the other Loan Documents, if the Borrower has obtained a final and nonappealable judgment in its favor on such claims as determined by a court of competent jurisdiction or (z) result from violation by any Indemnitee of any such Indemnitee's internal policies or from a violation of laws, rules or regulations applicable to such Indemnitee's operations. In litigation, or the preparation therefor, the Indemnitees shall be entitled to select a single law firm as their own counsel and, in addition to the foregoing indemnity, Borrower agrees to pay promptly all court costs and other expenses of litigation incurred by the Indemnitees, including the reasonable fees and expenses of such counsel. If, and to the extent that the obligations of Borrower under this \$16 are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment in satisfaction of such obligations which is permissible under applicable law. There shall be specifically excluded from the foregoing indemnification any claims, actions, suits, liabilities, losses, damages and expenses arising from disputes among Lenders with respect to the Loans or the Loan Documents. In the event that any such claims, actions, suits, liabilities, losses, damages and expenses involve both a dispute among Lenders and other matters covered by this indemnification provision, Agent shall make a reasonable good faith allocation of all losses, damages and expenses incurred between Lenders' dispute and the other matters covered by this indemnification provision, which allocation by Agent shall, absent manifest error, be final and binding upon the parties hereto. All amounts payable by Borrower pursuant to this Section shall constitute Obligations until paid in full by Borrower. The provisions of this §16 shall survive the repayment of the Loans and the termination of the obligations of Lenders and LC Issuer hereunder.

# §17. SURVIVAL OF COVENANTS, ETC

All covenants, agreements, representations and warranties made herein, in the Notes, in any of the other Loan Documents or in any documents or other papers delivered by or on behalf of Borrower or the other Loan Parties, as applicable, pursuant hereto or thereto shall be deemed to have been relied upon by Lenders, LC Issuer and Agent, notwithstanding any investigation heretofore or hereafter made by any of them, and shall survive the making by Lenders of any of the Loans and the issuing by LC Issuer of any of the Letters of Credit, as herein contemplated, and shall continue in full force and effect so long as any amount due under this Agreement or the Notes or any of the other Loan Documents remains outstanding or any Lender has any obligation to make any Loans or LC Issuer has any obligation to issue any Letters of Credit. The indemnification obligations of Borrower provided herein and the other Loan Documents shall survive the full repayment of amounts due and the termination of the

obligations of Lenders and LC Issuer hereunder and thereunder to the extent provided herein and therein. All statements contained in any certificate or other paper delivered to any Lender, LC Issuer or Agent at any time by or on behalf of any of the Loan Parties pursuant hereto or in connection with the transactions contemplated hereby shall constitute representations and warranties as to the matters contained in such certificate or other paper by any of the Loan Parties hereunder.

# **§18. ASSIGNMENT AND PARTICIPATION**

# §18.1 Conditions to Assignment by Lenders.

(a) Each Lender shall have the right to assign, transfer, sell, negotiate, pledge or otherwise hypothecate this Agreement and any of its rights and security hereunder and under the other Loan Documents to any other Eligible Assignee with the prior written consent of Agent, with the prior written consent of Swing Line Lender and LC Issuer and with the prior written consent of Borrower, which consents by Agent, Swing Line Lender, LC Issuer and Borrower shall not be unreasonably withheld, conditioned or delayed (provided that no consent of Borrower shall be required if the Eligible Assignee is also a Lender or an Affiliate thereof or if an Event of Default then exists, and provided further that Borrower shall be deemed to have consented unless it shall object thereto by written notice to Agent within five (5) Business Days after having received notice thereof) and no consent of Agent or LC Issuer shall be required if the Eligible Assignee is also a Lender or an Affiliate thereof; provided, however, that (i) the parties to each such assignment shall execute and deliver to Agent, for its approval and acceptance, an Assignment and Assumption Agreement in the form of Exhibit C attached hereto and made a part hereof (an "Assignment and Assumption Agreement"), (ii) each such assignment (A) shall be of a constant, and not varying, percentage of the assigning Lender's rights and obligations under this Agreement such that each Lender under this Agreement shall at all times retain an identical Percentage of the Revolving Commitment and the Revolving Loans, and (B) shall, prior to the MGP Equity Sale, be accompanied by an assignment under the MGP/UPS Credit Facility from such assigning Lender to such assignee Lender in the same percentage such that each Lender under this Agreement shall at all times retain an identical Percentage hereunder and "Commitment Percentage" (as defined in the MGP/UPS Credit Facility) under the MGP/UPS Credit Facility, and any modification or amendment of any of the foregoing requirements of this clause (ii) of §18.1(a) shall require the consent of all Lenders, (iii) if the potential assignee is not already a Lender hereunder, at least ten (10) days prior to the settlement date of the assignment, the potential assignee shall deliver to Agent the fully completed Patriot Act and OFAC forms attached as Exhibit F attached hereto and made a part hereof and such other information as Agent shall require to successfully complete Agent's Patriot Act Customer Identification Process and OFAC Review Process, (iv) unless Agent and, so long as no Event of Default exists, Borrower otherwise consent, the aggregate amount of the total Revolving Commitment of the assigning Lender being assigned pursuant to each such assignment shall in no



event be less than \$2,000,000, (v) Agent shall receive from the assigning Lender a processing fee of \$3,500, (vi) if the assignment is less than the assigning Lender's entire interest in the Loans, the assigning Lender must retain at least a \$2,000,000 Revolving Commitment. Upon such execution, delivery, approval and acceptance, and upon the effective date specified in the applicable Assignment and Assumption Agreement, (a) the Eligible Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Assumption Agreement, have the rights and obligations of a Lender hereunder and under the other Loan Documents, and Borrower hereby agrees that all of the rights and remedies of Lenders in connection with the interest so assigned shall be enforceable against Borrower by an Eligible Assignee with the same force and effect and to the same extent as the same would have been enforceable but for such assignment provided that no assignment shall increase the Borrower's obligations under §4.4 or §4.9, (b) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Assumption Agreement, relinquish its rights and be released from its obligations hereunder and thereunder, and (c) Agent may unilaterally amend Schedule 1.1 to reflect such assignment. For purposes of this paragraph, in connection with any assignment or simultaneous, multiple assignments by any Lender which is a fund to one or more of its Related Funds: (1) compliance with the minimum amounts for assigned Revolving Commitments and Loans, and for retained Revolving Commitments and Loans as hereinabove provided shall be determined in the aggregate for such assigning fund and any of its Related Funds that are or are to become Lenders as part of any assignment transaction or simultaneous, multiple assignment transactions; (2) after giving effect to such assignment or assignments, no such assignor or assignee fund in connection with a partial assignment of the assigning fund's Revolving Commitment shall hold a Revolving Commitment of less than \$2,000,000, and (3) only one processing fee shall be payable to Agent in connection with simultaneous, multiple assignment transactions.

(b) By executing and delivering an Assignment and Assumption Agreement, the assigning Lender thereunder and the Eligible Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) except as provided in such Assignment and Assumption Agreement, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other Loan Document or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document or any other instrument or document furnished in connection therewith; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of its obligations under any Loan Document or any other instrument or document furnished in connection therewith; (iii) such assignee confirms that it has received a copy of this Agreement together with such financial statements, Loan Documents and other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into the Assignment and

Assumption Agreement and to become a Lender hereunder; (iv) such Eligible Assignee will, independently and without reliance upon Agent, the assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such Eligible Assignee appoints and authorizes Agent to take such action as Agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent by the terms hereof and thereof, together with such powers as are reasonably incidental thereto; (vi) such Eligible Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

#### §18.2 Register.

Agent shall maintain a copy of each assignment delivered to it and a register or similar list (the "<u>Register</u>") for the recordation of the names and addresses of Lenders and the Percentages, of, and principal amount of (and interest on) the Loans owing to Lenders from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower, Agent, LC Issuer and Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower, LC Issuer and Lenders at any reasonable time and from time to time upon reasonable prior notice.

## §18.3 New Notes.

Upon its receipt of an assignment executed by the parties to such assignment, together with each Note (if any) subject to such assignment, Agent shall (a) record the information contained therein in the Register, and (b) give prompt notice thereof to Borrower and Lenders (other than the assigning Lender). Within five (5) Business Days after receipt of such notice, Borrower, upon Lender's request and at Lender's expense, shall execute and deliver to Agent, in exchange for each surrendered Note, a new Note, to the order of such assignee in an amount equal to the amount assumed by such assignee pursuant to such assignment and, if the assigning Lender has retained some portion of its obligations hereunder, a new Note, to the order of the assigning Lender in an amount equal to the amount retained by it hereunder. Such new Notes shall provide that they are replacements for the surrendered Notes of the same category, shall be in an aggregate principal amount equal to the assignment and of the surrendered Notes, shall be dated the effective date of such assignment and shall otherwise be in substantially the form of the assigned Notes. The surrendered Notes shall be canceled and returned to Borrower.

# §18.4 Participations.

Each Lender may sell participations to one or more banks or other entities in all or a portion of such Lender's rights and obligations under this Agreement and the other Loan Documents; <u>provided</u> that (a) any such sale or participation shall not affect the rights and duties of the selling Lender hereunder to Borrower, (b) such participation shall not entitle such participant to any rights or privileges under this Agreement or the Loan Documents, including, without limitation, the right to approve waivers, amendments or modifications, (c) such participant shall have no direct rights against Borrower except the rights granted to Lenders pursuant to §13, (d) such sale is effected in accordance with all applicable laws, and (e) such participant shall satisfy the criteria (other than minimum total assets) for being an Eligible Assignee. Any Lender which sells a participation shall promptly notify Agent and Borrower of such sale and the identity of the purchaser of the interest.

## §18.5 Pledge by Lender.

Any Lender may at any time pledge all or any portion of its interest and rights under this Agreement (including all or any portion of its Note) to secure obligations of such Lender, including without limitation, (a) any pledge or assignment to secure obligations to any of the twelve Federal Reserve Banks organized under §4 of the Federal Reserve Act, 12 U.S.C. §341, to any Federal Home Loan Bank or to any institution within the Farm Credit System, and (b) for any Lender that is a fund, any pledge or assignment to any holders of obligations owed, or securities issued, by such Lender including any trustee for, or any other representative of, such holders. In addition, any Lender may, with the consent of Agent (which may be granted or withheld in Agent's sole discretion) pledge all or any portion of its interests and rights under the Agreement (including all or any portion of its Note or Notes) to a Person approved by Agent. Notwithstanding anything to the contrary contained herein, no pledge permitted pursuant to this Section or the enforcement thereof shall release the pledgor Lender from its obligations hereunder or under any of the other Loan Documents.

## §18.6 No Assignment by Borrower.

Borrower shall not assign or transfer any of its rights or obligations under any of the Loan Documents without the prior written consent of each of Lenders.

## §18.7 Cooperation; Disclosure.

Borrower and the other Loan Parties agree to promptly cooperate with any Lender in connection with any proposed assignment or participation of all or any portion of its Revolving Commitment or Loans. Borrower and the other Loan Parties agree that in addition to disclosures made in accordance with standard lending practices any Lender may disclose information obtained by such Lender pursuant to this Agreement to assignees or participants and

potential assignees or participants hereunder, subject to the provisions of §18.10. Notwithstanding anything herein to the contrary, Agent and each Lender may disclose to any and all Persons, without limitation of any kind, any information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are provided to Agent or any Lender relating to such tax treatment and tax structure; provided that with respect to any document or similar item that in either case contains information concerning the tax treatment or tax structure of the transaction as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to the tax treatment or tax structure of the Loans and transactions contemplated hereby. In order to facilitate assignments to Eligible Assignees, Borrower shall execute such further documents, instruments or agreements as Lenders may reasonably require. In addition, the Loan Parties agree to cooperate fully with Lenders in the exercise of Lenders' rights pursuant to this Section, including providing such information and documentation regarding the Loan Parties, their Subsidiaries as any Lender or any potential Eligible Assignees.

## §18.8 Mandatory Assignment.

In the event (i) Borrower requests that certain amendments, modifications, consents or waivers be made to or under this Agreement or any of the other Loan Documents which request is approved by Agent or Required Lenders but is not approved by one or more of Lenders (any such non-consenting Lender shall hereafter be referred to as the "<u>Non-Consenting Lender</u>"), (ii) Borrower becomes obligated to pay additional amounts to any Lender pursuant to §4.4 or §4.9, or any Lender gives notice of the occurrence of any circumstances described in §4.7 or §4.9, and in each case, such Lender has declined or is unable to designate a different lending office in accordance with §4.10, (iii) any Lender hereunder is a Defaulting Lender (any such Lender described in the foregoing clauses (i), (ii) or (iii) shall hereafter be referred to as an "<u>Affected Lender</u>") then, within thirty (30) days after Borrower's receipt of notice of such disapproval by such Non-Consenting Lender, or, in the case of clause (ii) or (iii) above at any time after the occurrence of such event, Borrower shall have the right as to such Affected Lender, to be exercised by delivery of written notice delivered to Agent and the Affected Lender, to elect to cause the Affected Lender to transfer its Loans and Revolving Commitments (and as required pursuant to §18.1(a)(ii), such Affected Lender's loans and commitments under the MGP/UPS Credit Facility). Agent shall promptly notify the remaining Lenders that each of such Lenders shall, subject to §18.1(a)(ii), have the right, but not the obligation, to acquire a portion of the Revolving Commitment and Loans, pro rata based upon their relevant Percentages (not including the Revolving Commitment of the Affected Lender), of the Affected Lender (or if any of such Lenders does not elect to purchase its pro rata share, then to such remaining Lenders in such

proportion as approved by Agent). In the event that Lenders do not elect to acquire all of the Affected Lender's Loans and Revolving Commitment, then Agent shall, subject to §18.1(a)(ii), use commercially reasonable efforts to find a new Lender or Lenders to acquire such remaining Loans and Revolving Commitment. Upon any such purchase of the Loans and Revolving Commitment of the Affected Lender, the Affected Lender's interests in the Obligations and its rights hereunder and under the Loan Documents shall terminate at the date of purchase, and the Affected Lender shall promptly execute and deliver any and all documents reasonably requested by Agent to surrender and transfer such interest, including, without limitation, an Assignment and Assumption Agreement in the form attached hereto as <u>Exhibit C</u> and such Affected Lender's original Note. The purchase price for the Affected Lender's Revolving Commitment and Loans shall equal any and all amounts outstanding and owed by Borrower to the Affected Lender, including principal and all accrued and unpaid interest or fees, plus any applicable prepayment fees which would be owed to such Affected Lender if the Loans were to be repaid in full on the date of such purchase of the Affected Lender's Revolving Commitment. A Lender shall not be required to make any such transfer and assignment cease to apply.

## §18.9 Co-Agents.

Agent may designate any Lender to be a "Co-Agent", an "Arranger" or similar title, but such designation shall not confer on such Lender the rights or duties of Agent. Any such "Co-Agent" or "Arranger" shall not have any additional rights or obligations under the Loan Documents, except for those rights and obligations, if any, as a Lender.

## §18.10 Treatment of Certain Information; Confidentiality.

Each of Agent, LC Issuer and Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or, with Borrower's consent, any prospective assignee of or participant in, any of its rights or obligations

under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Borrower and its obligations, (g) with the consent of Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to Agent, LC Issuer, any Lender, or any of their respective Affiliates on a nonconfidential basis from a source other than Borrower.

For purposes of this Section, "Information" means all information received from the Loan Parties or any of their Subsidiaries relating to the Loan Parties or any of their Subsidiaries or any of their respective businesses, other than any such information that is available to Agent or any Lender on a nonconfidential basis prior to disclosure by the Loan Parties or any of their Subsidiaries. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

## **§19. NOTICES**

Each notice, demand, election or request provided for or permitted to be given pursuant to this Agreement (hereinafter in this §19 referred to as "Notice"), but specifically excluding to the maximum extent permitted by law any notices of the institution or commencement of foreclosure proceedings, must be in writing and shall be deemed to have been properly given or served by personal delivery or by sending same by overnight courier or by depositing same in the United States Mail, postpaid and registered or certified, return receipt requested, or as expressly permitted herein, by telegraph, telecopy, telefax or telex, and, to the extent permitted by §23, email addressed as follows:

If to Agent, LC Issuer or any Lender, at the address set forth on the signature page for Agent, LC Issuer or such Lender, and in the case of each notice to Agent pursuant to §7.5, with a copy to:

Agent's Special Counsel:

Thompson & Knight LLP 333 Clay Street Suite 3300 Houston, Texas 77002 Facsimile: (832) 397.8103 Attention: Andrew P. Flint

and

if to Borrower and the other Loan Parties:

CorEnergy Infrastructure Trust Inc. 1100 Walnut Street Suite 3350 Kansas City, MO 64106 Facsimile: (816) 875-5875 Attention: Rebecca Sandring

with a copy to:

Husch Blackwell LLP 4801 Main Street, Suite 1000 Kansas City, MO 64112 Facsimile: (816) 983-8080 Attention: Scott H. Thompson

and to each other Lender which may hereafter become a party to this Agreement at such address as may be designated by such Lender. Each Notice shall be effective upon being personally delivered or upon being sent by overnight courier or upon being deposited in the United States Mail as aforesaid. The time period in which a response to such Notice must be given or any action taken with respect thereto (if any), however, shall commence to run from the date of receipt if personally delivered or sent by overnight courier, or if so deposited in the United States Mail, the earlier of three (3) Business Days following such deposit or the date of receipt as disclosed on the return receipt. Rejection or other refusal to accept or the inability to deliver because of changed address for which no notice was given shall be deemed to be receipt of the Notice sent. By giving at least fifteen (15) days prior Notice thereof, the Loan Parties, a Lender or LC Issuer or Agent shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

## §20. RELATIONSHIP

None of Agent, nor any Arranger, nor LC Issuer nor any Lender has any fiduciary relationship with or fiduciary duty to the Loan Parties arising out of or in connection with the Agreement or the other Loan Documents or the transactions contemplated hereunder and thereunder, and the relationship between each Lender and Borrower is solely that of a lender and borrower, and between each Lender and any Guarantor is solely that of a lender and guarantor, and nothing contained herein or in any of the other Loan Documents shall in any manner be construed as making the parties hereto partners, or any other relationship other than lender and borrower, or lender and guarantor (as the case may be). In addition, the Loan Parties agree that



notwithstanding any other relationship that Agent, any Arranger or any Lender, or any affiliate thereof thereof may have with Borrower or the other Loan Parties or their respective Subsidiaries and Affiliates, in any proceeding relating to Borrower or the other Loan Parties, under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or similar proceeding, the Loan Parties will not challenge Lenders' or LC Issuer's right to receive payment of the Obligations as a creditor of Borrower or the other Loan Parties on the grounds of the equitable subordination principles contained in §510 of the United States Bankruptcy Code (11 U.S.C. §101 et G.), as from time to time amended, or any similar provision under any applicable law. The covenants contained in this §20 are a material consideration and inducement to Lenders and LC Issuer to enter into the Agreement.

# §21. GOVERNING LAW; CONSENT TO JURISDICTION AND SERVICE

THIS AGREEMENT AND EACH OF THE OTHER LOAN DOCUMENTS, EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED THEREIN, ARE CONTRACTS UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL FOR ALL PURPOSES BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF SUCH STATE (EXCLUDING THE LAWS APPLICABLE TO CONFLICTS OR CHOICE OF LAW), AND ANY AND ALL MATTERS IN DISPUTE BETWEEN THE PARTIES TO THIS AGREEMENT ARISING FROM OR RELATING TO THE SUBJECT MATTER HEREOF SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. EACH LOAN PARTY AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND THE SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON SUCH LOAN PARTY (IF ANY) BY MAIL AT THE ADDRESS SPECIFIED IN §19. EACH LOAN PARTY HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT COURT.

## §22. HEADINGS

The captions in this Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

# §23. COUNTERPARTS; INTEGRATION; EFFECTIVENESS; ELECTRONIC EXECUTION

(a) <u>Counterparts; Integration; Effectiveness</u>. This Agreement and any amendment hereof may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute one instrument. In proving this Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. This Agreement and the other Loan Documents, any separate letter agreements with respect to fees payable to Agent (including the Agreement Regarding Fees) and any provisions of any commitment letter or similar letter relating to the transactions contemplated by this Agreement that expressly survive the Closing Date, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) <u>Electronic Execution of Assignments</u>. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) Electronic Communication. Notices and other communications to Agent and Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article 4 if such Lender has notified Agent that it is incapable of receiving notices under such Article by electronic communication. Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communications sposted to an Internet or intranet website shall be deemed received upon the deemed receipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipient by the intended

recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(d) <u>Platform</u>.

(i) Each Loan Party agrees that Agent may, but shall not be obligated to, make the Communications (as defined below) available to LC Issuer and the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of Borrower's, any Loan Party's or Agent's transmission of communications through the Platform. "<u>Communications</u>" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to Agent, any Lender or LC Issuer by means of electronic communications pursuant to this Section, including through the Platform.

# **§24.** ENTIRE AGREEMENT, ETC.

The Loan Documents and any other documents executed in connection herewith or therewith express the entire understanding of the parties with respect to the transactions contemplated hereby. Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated, except as provided in §27.

## §25. WAIVER OF JURY TRIAL AND CERTAIN DAMAGE CLAIMS

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, EACH OF BORROWER, THE OTHER LOAN PARTIES, AGENT, LC ISSUER AND THE LENDERS HEREBY WAIVES ITS RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS AGREEMENT, ANY NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, ANY RIGHTS OR OBLIGATIONS HEREUNDER OR THEREUNDER OR THE PERFORMANCE OF SUCH RIGHTS AND OBLIGATIONS. EXCEPT TO THE EXTENT EXPRESSLY PROHIBITED BY LAW, BORROWER AND THE OTHER

LOAN PARTIES EACH HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER AND EACH OTHER LOAN PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY LENDER, LC ISSUER OR AGENT HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH LENDER, LC ISSUER OR AGENT WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS AND (B) ACKNOWLEDGES THAT AGENT AND THE LENDERS HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH THEY ARE PARTIES BY, AMONG OTHER THINGS, THE WAIVERS AND CERTIFICATIONS CONTAINED IN THIS §25. BORROWER AND EACH OTHER LOAN PARTY ACKNOWLEDGES THAT IT HAS HAD AN OPPORTUNITY TO REVIEW THIS §25 WITH ITS LEGAL COUNSEL AND THAT EACH AGREES TO THE FOREGOING AS ITS FREE, KNOWING AND VOLUNTARY ACT.

# **§26.** DEALINGS WITH THE BORROWER

The Lenders and their affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with Borrower and each of the other Loan Parties, or any of its Affiliates regardless of the capacity of the Lender hereunder.

## §27. CONSENTS, AMENDMENTS, WAIVERS, ETC.

Except as otherwise expressly provided in this Agreement, any consent or approval required or permitted by this Agreement may be given, and any term of this Agreement or of any other Loan Document may be amended, and the performance or observance by Borrower of any terms of this Agreement or such other instrument or the continuance of any Default or Event of Default may be waived (either generally or in a particular instance and either retroactively or prospectively) with, but only with, the written consent of the Required Lenders. Notwithstanding the foregoing provisions of this Section:

- (a) none of the following may occur without the written consent of each affected Lender:
  - (i) a decrease in the rate of interest on the Notes;
  - (ii) an increase in the amount of the Revolving Commitments of Lenders;

(iii) a forgiveness, reduction or waiver of the principal of any unpaid Loan or any interest thereon or fee payable under the Loan Documents (other than in connection with the imposition or rescission of the Default Rate);

(iv) a decrease in the amount of any fee payable to a Lender hereunder;

(v) the release of Borrower, any guarantor or any of the Collateral except as otherwise provided herein;

(vi) a change to this §27;

(vii) any postponement of any date fixed for any payment of principal of or interest on, or fees in respect of, the Loans;

(viii) any change in the manner of distribution of any payments to Lenders or Agent;

(ix) an amendment of the definition of Required Lenders or of any requirement for consent by all of Lenders; or

(x) an amendment of any provision of this Agreement or the Loan Documents which requires the approval of all of Lenders or the Required Lenders to require a lesser number of Lenders to approve such action.

(b) <u>Other Consents</u>. No amendment, modification, termination or waiver of any provision of the Loan Documents, or consent to any departure by Borrower or the other Loan Parties therefrom, shall:

(i) increase the Revolving Commitment of any Lender over the amount thereof then in effect without the consent of such Lender; <u>provided</u>, no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Revolving Commitment of any Lender;

Required Lenders;

(ii) increase the aggregate Revolving Commitments over the amount thereof then in effect without the consent of the

(iii) waive any condition precedent to the initial Loans on the Closing Date, for which it is expressly provided in such Section that satisfaction of such condition is to be acceptable to or approved by Agent, without the consent of Agent, and in any such event it shall not be necessary to obtain the consent of any other Lender to such waiver; or

(iv) amend, modify, terminate or waive the amount or timing of payment of any fee payable to Agent for its own account, any provision of §14 as the same applies to Agent, or any other provision hereof as the same applies to the rights or obligations of Agent, in each case without the consent of Agent.

No waiver shall extend to or affect any obligation not expressly waived or impair any right consequent thereon. No course of dealing or delay or omission on the part of Agent or any Lender in exercising any right shall operate as a waiver thereof or otherwise be prejudicial thereto. No notice to or demand upon the Loan Parties shall entitle the Loan Parties to other or further notice or demand in similar or other circumstances. In the event any Lender fails to expressly grant or deny any consent, amendment or waiver sought under this Agreement within ten (10) days of a written request therefor submitted by Agent or Agent's Special Counsel, such Lender shall be deemed to have granted to Agent an irrevocable proxy with respect to such specific matter. The right of any Lender to consent under subsections (a) and (b) of this §27 shall not apply to a Defaulting Lender, except for purposes of subsection (b)(i) of this §27.

## §28. SEVERABILITY

The provisions of this Agreement are severable, and if any one clause or provision hereof shall be held invalid or unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Agreement in any jurisdiction.

#### **§29. NO UNWRITTEN AGREEMENTS**

# THE WRITTEN LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

#### **§30.** ACKNOWLEDGMENT OF INDEMNITY OBLIGATIONS

# BORROWER HEREBY ACKNOWLEDGES THAT THIS AGREEMENT CONTAINS INDEMNITY OBLIGATIONS OF THE BORROWER.

#### §31. REPLACEMENT OF NOTES

Upon receipt of evidence reasonably satisfactory to Borrower of the loss, theft, destruction or mutilation of any Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory to such Borrower or, in the case of any such mutilation, upon surrender and cancellation of the applicable Note, such Borrower will execute and deliver, in lieu thereof, a replacement Note, identical in form and substance to the applicable Note and dated as of the date of the applicable Note and upon such execution and

delivery all references in the Loan Documents to such Note shall be deemed to refer to such replacement Note.

## **§32.** TIME IS OF THE ESSENCE

Time is of the essence with respect to each and every covenant, agreement and obligation of Borrower under this Agreement and the other Loan Documents.

# **§33. RIGHTS OF THIRD PARTIES**

This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of Borrower, the other Loan Parties, Lenders and Agent, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. All conditions to the performance of the obligations of Agent and Lenders under this Agreement, including the obligation to make Loans, are imposed solely and exclusively for the benefit of Agent and Lenders and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Agent and Lenders will refuse to make Loans in the absence of strict compliance with any or all thereof and no other Person shall, under any circumstances, be deemed to be a beneficiary of such conditions, any and all of which may be freely waived in whole or in part by Agent and Lenders at any time if in their sole discretion they deem it desirable to do so.

### §34. GUARANTY

§34.1 <u>The Guaranty</u>.

(a) Each of Guarantors hereby jointly and severally guarantees to Agent for the benefit of the Lenders and each of the holders of the Obligations, as hereinafter provided, as primary obligor and not as surety, the prompt payment of the Obligations (the "<u>Guaranteed</u> <u>Obligations</u>") in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory cash collateralization or otherwise) strictly in accordance with the terms thereof; <u>provided</u>, <u>however</u>, that the Guaranteed Obligations shall not include any Excluded Swap Obligations. Guarantors hereby further agree that if any of the Guaranteed Obligations are not paid in full when due (whether at stated maturity, as a mandatory cash collateralization or otherwise), Guarantors will, jointly and severally, promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory cash collateralization or otherwise) in accordance with the terms of such extension or renewal.

(b) Notwithstanding any provision to the contrary contained herein, in any other of the Loan Documents or other documents relating to the Obligations, the obligations of each Guarantor under this Agreement and the other Loan Documents shall be limited to an aggregate amount equal to the largest amount that would not render such obligations subject to avoidance under the United States Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States from time to time in effect and affecting the rights of creditors generally (collectively, "Debtor Relief Laws") or any comparable provisions of any applicable state law.

## §34.2 Obligations Unconditional.

The obligations of Guarantors under §34.1 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents or other documents relating to the Obligations, or any substitution, compromise, release, impairment or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by applicable law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this §34.2 that the obligations of Guarantors hereunder shall be absolute and unconditional under any and all circumstances. Each Guarantor agrees that such Guarantor shall have no right of subrogation, indemnity, reimbursement or contribution against Borrower or any other Guarantor for amounts paid under this §34 until such time as the Obligations have been irrevocably paid in full and the commitments relating thereto have expired or been terminated. Without limiting the generality of the foregoing, it is agreed that, to the fullest extent permitted by law, the occurrence of any one or more of the following shall not alter or impair the liability of any Guarantor hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to any Guarantor, the time for any performance of or compliance with any of the Guaranteed Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of any of the Loan Documents, or other documents relating to the Guaranteed Obligations or any other agreement or instrument referred to therein shall be done or omitted;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Obligations shall be modified, supplemented or amended in any respect, or any right under any of the Loan Documents or other documents relating to the Guaranteed Obligations, or any other agreement or instrument referred to therein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released, impaired or exchanged in whole or in part or otherwise dealt with;

(d) any Lien granted to, or in favor of, Agent or any of the holders of the Guaranteed Obligations as security for any of the Guaranteed Obligations shall fail to attach or be perfected; or

(e) any of the Guaranteed Obligations shall be determined to be void or voidable (including, without limitation, for the benefit of any creditor of any Guarantor) or shall be subordinated to the claims of any Person (including, without limitation, any creditor of any Guarantor).

With respect to its obligations hereunder, each Guarantor hereby expressly waives diligence, presentment, demand of payment, protest notice of acceptance of the guaranty given hereby and of Loans that may constitute obligations guaranteed hereby, notices of amendments, waivers and supplements to the Loan Documents and other documents relating to the Guaranteed Obligations, or the compromise, release or exchange of collateral or security, and all notices whatsoever, and any requirement that Agent or any holder of the Guaranteed Obligations exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents or any other documents relating to the Guaranteed Obligations or any other agreement or instrument referred to therein, or against any other Person under any other guarantee of, or security for, any of the Obligations.

#### §34.3 Reinstatement.

Neither Guarantors' obligations hereunder nor any remedy for the enforcement thereof shall be impaired, modified, changed or released in any manner whatsoever by an impairment, modification, change, release or limitation of the liability of Borrower or any other Guarantor, by reason of Borrower's or any other Guarantor's bankruptcy or insolvency or by reason of the invalidity or unenforceability of all or any portion of the Guaranteed Obligations. The obligations of Guarantors under this §34 shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of any Person in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings pursuant to any Debtor Relief Law or otherwise, and each Guarantor agrees that it will indemnify Agent and each holder of Guaranteed Obligations on demand for all reasonable out-of-pocket costs and expenses (including all reasonable fees, expenses and disbursements of any law firm or other outside counsel incurred by the Agent) incurred by Agent or such holder of Guaranteed Obligations in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any Debtor Relief Law.

## §34.4 Certain Waivers.

Each Guarantor acknowledges and agrees that (a) the guaranty given hereby may be enforced without the necessity of resorting to or otherwise exhausting remedies in respect of any other security or collateral interests, and without the necessity at any time of having to take recourse against Borrower or any other Guarantor hereunder or against any collateral securing the Guaranteed Obligations or otherwise, (b) it will not assert any right to require the action first be taken against Borrower or any other Person (including any co-guarantor) or pursuit of any other remedy or enforcement any other right, and (c) nothing contained herein shall prevent or limit action being taken against Borrower or any other Guarantor hereunder, under the other Loan Documents or the other documents and agreements relating to the Guaranteed Obligations

or from foreclosing on any security or collateral interests relating hereto or thereto, or from exercising any other rights or remedies available in respect thereof, if none of Borrower nor Guarantors shall timely perform their obligations, and the exercise of any such rights and completion of any such foreclosure proceedings shall not constitute a discharge of Guarantors' obligations hereunder unless as a result thereof, the Guaranteed Obligations shall have been paid in full and the commitments relating thereto shall have expired or been terminated, it being the purpose and intent that Guarantors' obligations hereunder be absolute, irrevocable, independent and unconditional under all circumstances.

#### §34.5 Remedies.

Guarantors agree that, to the fullest extent permitted by Law, as between Guarantors, on the one hand, and Agent and the holders of the Guaranteed Obligations, on the other hand, the Guaranteed Obligations may be declared to be forthwith due and payable as provided in §12.1 (and shall be deemed to have become automatically due and payable in the circumstances provided in §12.1) for purposes of §34.1, notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Guaranteed Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Guaranteed Obligations being deemed to have become automatically due and payable), the Guaranteed Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by Guarantors for purposes of §34.1. Guarantors acknowledge and agree that if the Guaranteed Obligations are secured pursuant to the terms of the Security Documents, the holders of the Guaranteed Obligations may exercise their remedies thereunder in accordance with the terms thereof.

#### §34.6 Rights of Contribution.

Guarantors hereby agree as among themselves that, in connection with payments made hereunder, each Guarantor shall have a right of contribution from each other Guarantor in accordance with applicable law. Such contribution rights shall be subordinate and subject in right of payment to the Guaranteed Obligations until such time as the Guaranteed Obligations have been irrevocably paid in full and the commitments relating thereto shall have expired or been terminated, and none of Guarantors shall exercise any such contribution rights until the Guaranteed Obligations have been irrevocably paid in full and the commitments relating thereto shall have expired or been terminated.

#### §34.7 Guaranty of Payment; Continuing Guaranty.

The guarantee in this §34 is a guaranty of payment and not of collection, and is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

#### §34.8 Special Provisions Applicable to Guarantors.

(a) Guarantors hereby agree, among themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but

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subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Pro Rata Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this §34.8(a) shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this Guaranty, and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all such obligations. For purposes of this §34.8(a), (i) "Excess Funding Guarantor" shall mean, in respect of any Obligations, a Guarantor that has paid an amount in excess of the amount of proceeds of Loans advanced to it by Borrower that have not been repaid as of the date of determination, plus its Pro Rata Share of the remaining portion of such Obligations, (ii) "Excess Payment" shall mean, in respect of any Obligations, the amount paid by an Excess Funding Guarantor in excess of the amount of proceeds of Loans advanced to it by Borrower that have not been repaid as of the date of determination, plus its Pro Rata Share of the remaining portion of such Obligations and (iii) "Pro Rata Share" shall mean, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of Borrower and all of Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of Borrower and Guarantors hereunder) of Borrower and all of Guarantors, all as of the Second Amendment Closing Date.

(b) Upon the execution and delivery of a Joinder Agreement (Guarantor) by any Subsidiary to the extent required by §5.1 of this Agreement, such Subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any Joinder Agreement (Guarantor) adding an additional Guarantor as a party to this Agreement shall not require the consent of any other party hereto. The rights and obligations of each party hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor hereunder.

#### **§35.** AMENDMENT/RESTATEMENT

On the Closing Date:

(a) the Borrower shall pay all accrued and unpaid commitment fees, break funding fees under §4.8 and all other fees that are outstanding under the Existing Credit Agreement for the account of each "Lender" under the Existing Credit Agreement;

(b) each "Base Rate Loan" and "LIBOR Rate Loan" outstanding under the Existing Credit Agreement shall be deemed to be refinanced and continued with the proceeds of a new Base Rate Loan or LIBOR Rate Loan, as applicable, and continued as existing Loans under this Agreement and not as a novation;

(c) any letters of credit outstanding under the Existing Credit Agreement shall be deemed issued under this Agreement; and

(d) the Existing Credit Agreement and the commitments thereunder shall be superceded by this Agreement and such commitments shall terminate.

It is the intent of the parties hereto that this Agreement not constitute a novation of the obligations and liabilities existing under the Existing Credit Agreement or evidence repayment of any such obligations and liabilities and that this Agreement amend and restate in its entirety the Existing Credit Agreement and re-evidence the obligations of Borrower and Guarantors outstanding thereunder.

#### **§36.** ACKNOWLEDGMENT AND CONSENT TO BAIL-IN OF EEA FINANCIAL INSTITUTIONS

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

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(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion powers of any EEA Resolution Authority.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have duly executed this Agreement as of the date first set forth above.

#### **BORROWER:**

**CORENERGY INFRASTRUCTURE TRUST, INC.,** a Maryland corporation

By:\_\_\_\_

Name:

Title:

#### [SIGNATURES CONTINUED ON FOLLOWING PAGES]

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[Execution of Amended and Restated Revolving Credit Agreement Continued]

# **GUARANTORS:**

CORRIDOR PRIVATE HOLDINGS, INC., a Delaware corporation	<b>CORRIDOR PUBLIC HOLDINGS, INC.,</b> a Delaware corporation
By:	
Name:	By:
Title:	Name:
	Title:
CORENERGY OPERATING PARTNERSHIP, LP,	MOWOOD CORRIDOR, INC.,
a Delaware limited partnership	a Delaware corporation
By its general partner CorEnergy GP, LLC	
	By:
By:	Name:
Name:	Title:
Title:	

HUNTON GP, LLC,	HUNTON CORRIDOR, LP,
a Delaware limited liability company	a Delaware limited partnership
By: Name: Title:	By its general partner Hunton GP, LLC By: Name: Title:
GRAND ISLE GP, INC.,	GRAND ISLE CORRIDOR, LP,
a Delaware corporation	a Delaware limited partnership
	By its general partner Grand Isle GP, Inc.
By:	
Name:	By:
Title:	Name:
	Title:

# **GUARANTORS:**

LCP OREGON HOLDINGS, LLC	,	CORRIDOR BISON, LLC,
a Delaware limited liability company	7	a Delaware limited liability company
By:		By:
Name:		Name:
Title:		Title:
CORENERGY BBWS, INC.,		CORENERGY GP, LLC,
a Delaware corporation		a Delaware limited liability company
By:		By:
Name:		Name:
Title:		Title:
<b>CORRIDOR MOGAS, INC.,</b> a Delaware corporation		GRAND ISLE LP, INC.,
a Delaware corporation		a Delaware corporation
By:		
Name: Title:		
1110.		By:
		Name:
		Title:
	Execution Page of Amended/Resta	ted Pavalving Credit Agroomant
	Execution rage of Amended/Resta	aca Kevolving Citan Agitemeni

# MOGAS PIPELINE LLC,

a Delaware corporation

a Delaware limited liability company

CORRIDOR LEEDS PATH WEST, INC.,

By:\_\_ Name: Title:

#### UNITED PROPERTY SYSTEMS, LLC,

a Delaware limited liability company

By:	
Name:	
Title:	

### FOUR WOOD CORRIDOR, LLC,

a Delaware limited liability company

By:	By:
Name:	Name:
Title:	Title:

#### [SIGNATURES CONTINUED ON FOLLOWING PAGES]

[Execution of Amended and Restated Revolving Credit Agreement Continued]

#### **REGIONS BANK**,

as a Lender, Swing Line Lender, LC Issuer and as Agent

By:\_\_\_\_

Name: David C. Valentine

Title: Senior Vice President

Regions Bank Energy & Natural Resources Group 3773 Richmond Avenue, Suite 1050 Houston, Texas 77046 Attention: David Valentine/Cody Chance

Telephone No. (713)244-8008; -8014 Facsimile No. (713) 426-7182 E-Mail: <u>david.valentine@regions.com</u>; <u>cody.chance@regions.com</u>

#### [SIGNATURES CONTINUED ON FOLLOWING PAGES]

### BANK OF AMERICA, N.A.,

as a Lender and as Syndication Agent

By:\_\_\_\_

Name:

Title:

Bank of America, N.A. 1200 Main St, 12<sup>th</sup> Floor Kansas City, Missouri Attention: Alok Jain, Senior Vice President-Global Commercial Banking Telephone No. 816 292 4241 E-mail: <u>alok.jain@baml.com</u>

#### WELLS FARGO BANK, N.A., as a Lender

By:\_\_\_\_

Name: Bobby Ausman

Title: Vice President

Wells Fargo Bank, N.A. MAC C7300-061 1700 Lincoln St. 6th Floor Denver, CO 80203 Attention: Bobby Ausman, Vice President Telephone No. (303) 863-6319 E-mail: Robert.1.ausman@wellsfargo.com

# BOKF, NA DBA

### BANK OF KANSAS CITY, as a Lender

By:\_\_\_\_

Name:

Title:

Bank of Kansas City 7500 College Blvd., Suite 1450 Overland Park, KS 66210 Attention: William Fox Telephone No. (913) 307-1649 E-mail: wfox@bankofkansascity.com

# ARVEST BANK, as a Lender

By:\_\_\_\_

Name:

Title:

Arvest Bank 6300 Nall Ave. Mission, KS 66202 Attention: Barry Sullivan Telephone No. (913) 279-3328 E-mail: bpsullivan@arvest.com

#### ACADEMY BANK, N.A., as a Lender

By:\_\_\_\_

Name:

Title:

Academy Bank, N.A. 1111 Main Street, Ste. 1600 Kansas City, MO 64105 Attention: Jason Hilpipre, Vice President-Corporate Banking Telephone No. (816) 412-6093 E-mail: jhilpipre@academybank.com

### UMB BANK, N.A., as a Lender

By:\_\_\_\_

Name:

Title:

UMB Bank, N.A. 1008 Oak Street Kansas City, MO 64106 Attention: Seth Lindsey, Vice President Telephone No. (816) 714-1779 E-mail: <u>seth.lindsey@umb.com</u>

# LENDERS SCHEDULE

Domestic Lending Office:	Percentage	Revolving Commitment
Regions Bank Address 3050 Peachtree Road NW, Suite 400 Atlanta, Georgia 30305 Tel: 404/279-7483 Fax: 404/995-7665	25.4658385100%	\$ 40,745,341.60
LIBOR Lending Office:		
Same.		
Domestic Lending Office:		
Bank of America, N.A. Address 1200 Main St. MO8-060-12-02 Kansas City, MO 64105 Tel: (816) 292-4241 Fax: (816) 292-4413	24.8447205000%	\$ 39,751,552.80
LIBOR Lending Office:		
Same.		
Domestic Lending Office:		
Wells Fargo Bank, N.A. Address MAC C7300-061 1700 Lincoln St. 6th Floor Denver, CO 80203 Tel: (303) 863-6319 Fax: (303) 863-5196	24.8447205000%	\$ 39,751,552.80
LIBOR Lending Office:		
Same.		

SCHEDULE 1.1

# SCHEDULE 1.1

# LENDERS SCHEDULE (CONT.)

Domestic Lending Office:	Percentage	Revolving Commitment
BOKF, NA dba Bank of Kansas City Address 7500 College Blvd., Suite 1450 Overland Park, KS 66210 Tel: (913) 307-1649 Fax:	9.3167701860%	\$ 14,906,832.30
LIBOR Lending Office:		
Same.		
Domestic Lending Office:		
<b>Arvest Bank</b> Address 6300 Nall Ave. Mission, KS 66202 Tel: (913) 279-3328 Fax: (913) 279-3378 <i>LIBOR Lending Office:</i> Same.	9.3167701860%	\$ 14,906,832.30
Domestic Lending Office:		
Academy Bank, N.A. Address 1111 Main Street, Ste. 1600 Kansas City, MO 64105 Tel: (816) 412-6093 Fax: (816) 410-2769	6.2111801240%	\$ 9,937,888.20
LIBOR Lending Office:		
Same.		

SCHEDULE 1.1

# ANNEX A

# SCHEDULE 6.1(b)

#### Subsidiaries

Subsidiary	Jurisdiction	
Restricted		
CorEnergy BBWS, Inc.	Delaware	
CorEnergy GP, LLC	Delaware	
CorEnergy Operating Partnership, LP	Delaware	
CorEnergy Pipeline Company, LLC	Delaware	
Corridor Bison, LLC	Delaware	
Corridor Leeds Path West, Inc.	Delaware	
Corridor MoGas, Inc.	Delaware	
Corridor Private Holdings, Inc.	Delaware	
Corridor Public Holdings, Inc.	Delaware	
Four Wood Corridor, LLC	Delaware	
Grand Isle Corridor LP	Delaware	
Grand Isle GP, Inc.	Delaware	
Grand Isle LP, Inc.	Delaware	
Hunton Corridor, LP	Delaware	
Hunton GP, LLC	Delaware	
LCP Oregon Holdings, LLC	Delaware	
MoGas Pipeline LLC	Delaware	
Mowood Corridor, Inc.	Delaware	
United Property Systems, LLC	Delaware	
Unrestricted		
Black Bison Water Service, LLC	Delaware	
Mowood, LLC	Delaware	
Omega Pipeline Company	Delaware	
Pinedale Corridor, LP	Delaware	
Pinedale GP, Inc.	Delaware	

# **Equity Interests**

Entity	Jurisdiction	Interest Holder
Lightfoot Capital Partners GP LLC	Delaware	Corridor Private Holdings, Inc.
Lightfoot Capital Partners, LP	Delaware	Corridor Private Holdings, Inc.

# SCHEDULE 6.7

Litigation

None.

### SCHEDULE 6.10

**Tax Audits** 

None.

### SCHEDULE 6.15

# **Transactions with Affiliates**

Management Agreement, by and between the Borrower and Corridor InfraTrust Management, LLC, dated December 1, 2011, as amended.

# SCHEDULE 6.20(f)

# Unresolved Real Estate Claims or Disputes

None.

# SCHEDULE 6.20(g)

### **Material Real Estate Agreements**

None.

# EXHIBIT 12.1 - Computation of Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends - CorEnergy Infrastructure Trust, Inc.

	the Six Months nded June 30,	 For the Years Ended December 31,							
	 2017	2016		2015	2014			2013	
Earnings:									
Pre-tax income from continuing operations before adjustment for income or loss from equity investees	\$ 16,915,722	\$ 28,561,682	\$	11,782,422	\$	6,973,693	\$	2,967,257	
Fixed charges <sup>(1)</sup>	6,657,234	14,417,839		9,781,184		3,675,122		3,288,378	
Amortization of capitalized interest	—	_		_		_		_	
Distributed income of equity investees	264,902	1,140,824		1,270,754		1,836,783		584,814	
Pre-tax losses of equity investees for which charges arising from guarantees are included in fixed charges	_	_		_		_		_	
Subtract:									
Interest capitalized	_	_		_		_		_	
Preference security dividend requirements of consolidated subsidiaries	_	_		_		_		_	
Noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges	_	_		_		_		_	
Earnings	\$ 23,837,858	\$ 44,120,345	\$	22,834,360	\$	12,485,598	\$	6,840,449	
Combined Fixed Charges and Preference Dividends:									
Fixed charges <sup>(1)</sup>	\$ 6,657,234	\$ 14,417,839	\$	9,781,184	\$	3,675,122	\$	3,288,378	
Preferred security dividend <sup>(2)</sup>	3,160,238	4,148,437		3,848,828		_		_	
Combined fixed charges and preference dividends	\$ 9,817,472	\$ 18,566,276	\$	13,630,012	\$	3,675,122	\$	3,288,378	
Ratio of earnings to fixed charges	3.58	3.06		2.33		3.40		2.08	
Ratio of earnings to combined fixed charges and preference dividends (1) Fixed charges consist of interest expense, as defined under U.S.	2.43	2.38		1.68		3.40		2.08	

(1) Fixed charges consist of interest expense, as defined under U.S. generally accepted accounting principles, on all

indebtedness.

(2) In the current year column, his line represents the amount of preferred stock dividends accumulated as of June 30, 2017.

#### CERTIFICATIONS

I, David J. Schulte, certify that:

- 1. I have reviewed this Quarterly Report on Form 10-Q of CorEnergy Infrastructure Trust, Inc :
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2017

/s/ David J. Schulte

David J. Schulte Chief Executive Officer (Principal Executive Officer)

#### CERTIFICATIONS

I, Nathan L. Poundstone, certify that:

- I have reviewed this Quarterly Report on Form 10-Q of CorEnergy Infrastructure Trust, Inc.:
- 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2017

/s/ Nathan L. Poundstone

Nathan L. Poundstone Chief Accounting Officer (Principal Accounting and Principal Financial Officer)

#### SECTION 906 CERTIFICATION

Pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2001, the undersigned officers of CorEnergy Infrastructure Trust, Inc. (the "Company"), hereby certify that the Quarterly Report on Form 10-Q for the period ended June 30, 2017, filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ David J. Schulte

David J. Schulte Chief Executive Officer (Principal Executive Officer) Date: August 2, 2017

#### /s/ Nathan L. Poundstone

Nathan L. Poundstone

Chief Accounting Officer (Principal Accounting and Principal Financial Officer) Date: August 2, 2017

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of this report. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.