

violate, breach or conflict with (i) Debtor's constituent documents, if Debtor is a corporation, partnership or other legal entity, (ii) any agreement, contract or instrument to which Debtor is a party or by which Debtor or its properties are bound, or (iii) any applicable law, regulation, decree, order or the like, (e) as a result of entering into this Agreement and after giving effect to the transactions contemplated by this Agreement, Debtor is not, and will not be rendered, insolvent, (f) this Agreement is the legal, valid and binding obligation of Debtor, enforceable against Debtor in accordance with its terms, (g) the financial statements of Debtor previously delivered to Lender in connection with the Obligations are true, correct and complete and fairly present the financial condition of Debtor as of the date thereof and there has been no material adverse change in the financial condition of Debtor since the date of the last financial statement of Debtor, (h) Debtor is and at all times will continue to be the legal and beneficial owner of the Collateral, (i) except for the security interest granted to Lender hereunder, and except as otherwise set forth on Schedule C hereto, Debtor owns the Collateral free and clear of any Lien (as defined in Schedule C hereto), (j) there are no filings or recordations against the Collateral which grant or purport to grant a Lien in any Collateral to any other person, (k) all Collateral which consists of equity interests has been validly issued, and is fully paid and non-assessable, (l) there are no actions or proceedings pending or threatened before any court or governmental authority, against or affecting Debtor, or if applicable, any of Debtor's subsidiaries, that (i) purports to affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby or (ii) could reasonably be expected to have a material adverse effect on the financial condition, operations, business, assets, and prospects of Debtor, and if applicable, Debtor's subsidiaries, (m) Debtor is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended or (ii) subject to any other law

or regulation which purports to restrict or regulate Debtor's ability to borrow money, and (n) if Debtor is a corporation, partnership or other legal entity, Debtor is owned, directly or indirectly, and controlled by those parties or party set forth in Debtor's Information.

3. Debtor covenants and agrees with Lender that: (a) Lender's sole duty with respect to the Collateral is to use such care as it uses for similar property for its own account, and Lender shall not be obligated to preserve rights in the Collateral against prior parties, (b) Debtor will (i) be solely responsible for all matters relating to the Collateral, including ascertaining maturities, calls, conversions, exchanges and tenders, (ii) not, and will not purport to, grant or suffer Liens against, or sell, transfer or dispose of any Collateral, (iii) from time to time take all actions (including entering into any control agreement reasonably requested by Lender and otherwise cooperate with Lender in obtaining control with respect to that Collateral in which a security interest may be perfected by control pursuant to the UCC, as hereinbelow defined or other applicable law) and make all filings and recordations requested by Lender in connection with Lender's security interest in the Collateral, (iv) promptly notify Lender of the occurrence of any default hereunder or otherwise in respect of the Obligations, and (v) hold in trust for, and forthwith pay over to Lender in the form received (except for any necessary endorsements) all property, proceeds or distributions received by Debtor on account of any Collateral, (c) at any time and from time to time, Lender may transfer all or any part of the Collateral to Lender's name or that of its nominee, and exercise all rights as if the absolute owner thereof, and file a proof of claim for, receive payments or distributions on, and exchange or release Collateral in any bankruptcy, insolvency or similar proceeding, (d) Lender is authorized to file financing statements and/or a copy of this Agreement and give notice to third parties regarding the Collateral without Debtor's signature to the extent permitted by applicable law, (e) Debtor will not change any of the Debtor's information without prompt notice to Lender of any change in any of the Debtor's information without prompt notice to Lender

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