

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 30, 2021**



Phillips Edison & Company, Inc.
(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction
of incorporation)

000-54691

(Commission
File Number)

27-1106076

(IRS Employer
Identification No.)

**11501 Northlake Drive
Cincinnati, Ohio**

(Address of principal executive offices)

45249

(Zip Code)

(513) 554-1110

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 1.01. Entry into a Material Definitive Agreement.

On July 2, 2021, Phillips Edison & Company, Inc. (the "Company") entered into a credit agreement (the "Credit Agreement") with Phillips Edison Grocery Center Operating Partnership I, L.P. (the "Partnership"), the lenders party thereto, and PNC Bank, National Association as administrative agent, for a new credit facility comprised of a \$500 million senior unsecured revolving credit facility and two \$240 million senior unsecured term loan tranches (collectively, the "New Credit Facilities"), a copy of which is filed as Exhibit 10.1 to this Form 8-K and incorporated herein by reference. The borrowings under the Company's New Credit Facilities will primarily be used for refinancing the Company's existing indebtedness, providing working capital, financing acquisitions and redevelopment projects, and other general corporate purposes. The revolving credit facility will mature on January 2, 2026 and the two senior unsecured term loan tranches will mature on November 16, 2025 and July 2, 2026, respectively. Both senior unsecured term loan tranches under the New Credit Facilities were drawn in full whereas the new senior unsecured revolving credit facility was undrawn as of July 2, 2021.

The foregoing description of the New Credit Facilities does not purport to be complete and is qualified in its entirety by reference to the Credit Agreement filed as Exhibit 10.1 to this Form 8-K and incorporated herein by reference.

Item 1.02. Termination of a Material Definitive Agreement.

On July 2, 2021, the Company terminated the Amended and Restated Credit Agreement among the Partnership, the Company, the lenders party thereto, and PNC Bank, National Association as administrative agent, dated November 16, 2018, which established a term loan credit facility in the original amount of \$472.5 million (the "2018 Credit Facility"). The 2018 Credit Facility was terminated in connection with the entry into the New Credit Facilities described above under Item 1.01. There were no penalties incurred by the Company as a result of the termination.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information provided in Item 1.01 of this Form 8-K is incorporated by reference herein.

Item 3.03. Material Modification to Rights of Security Holders.

On July 2, 2021, the Company effected a reclassification transaction (the "Reclassification") in which each share of the Company's common stock, \$0.01 par value per share (the "Common Stock"), changed into a share of the Company's newly created Class B common stock, \$0.01 par value per share (the "Class B Common Stock"), by filing (a) the Articles Supplementary previously approved by the Company's board of directors (the "Board") on March 24, 2021 (the "Class B Articles Supplementary") and (b) the Articles of Amendment previously approved by the Board on March 24, 2021 and by the Company's stockholders on June 18, 2021 (the "Reclass Amendment"). The Class B Common Stock is identical to the Common Stock, except that upon the six-month anniversary of the listing of the Common Stock for trading on a national securities exchange (or such earlier date or dates as may be approved by the Board), each share of the Class B Common Stock will automatically, and without any stockholder action, convert into one share of the listed Common Stock.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On July 2, 2021, (a) the Company effected a one-for-three reverse stock split (the "Reverse Stock Split") of each issued and outstanding share of Common Stock by filing the Articles of Amendment previously approved by the Board on June 11, 2021 (the "Reverse Stock Split Amendment"), and (b) immediately after the Reverse Stock Split, the Company decreased the par value of each issued and outstanding share of Common Stock from \$0.03 par value per share to \$0.01 par value per share (the "Par Value Amendment" and collectively with the Reverse Stock Split Amendment, Class B Articles Supplementary and the Reclass Amendment, the "Charter Amendments"). We have also effected a corresponding one-for-three reverse unit split (together with the Reverse Stock Split, the "Reverse Equity Splits") of OP units of the Partnership. As a result of the Reverse Equity Splits, every three shares of our common stock and OP units has been automatically combined and converted into one issued and outstanding share of common stock or OP unit, as applicable, rounded to the nearest 1/100th share or OP unit.

As disclosed above in Item 3.03 of this Form 8-K, on July 2, 2021, after effecting the Reverse Stock Split, the Company effected the Reclassification by filing the Class B Articles Supplementary and the Reclass Amendment.

The foregoing description of the Charter Amendments assumes their filings are accepted by the State Department of Assessments and Taxation of Maryland and is qualified in its entirety by reference to the Class B Articles Supplementary, the Reclass Amendment, the Reverse Stock Split Amendment, and the Par Value Amendment, copies of which are filed as Exhibit 3.1, Exhibit 3.2, Exhibit 3.3, and Exhibit 3.4, respectively, to this Form 8-K and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On June 30, 2021, the Board unanimously approved distributions for July 2021 to its stockholders of record at the close of business on July 15, 2021 equal to a monthly amount of \$0.085 per share of the Class B Common Stock. The Company's July 2021 distribution is expected to be made on or around August 2, 2021.

On July 2, 2021, the Company issued two press releases announcing, among other things, (a) the effectiveness of the Reverse Stock Split and the Reclassification, and (b) the closing of the New Credit Facilities. Copies of those press releases are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

Item 8.01. Other Events.

In connection with the Reverse Stock Split, the Company is filing this Form 8-K to update certain financial information and related disclosures included in the Company's (a) Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Form 10-K"), originally filed on March 12, 2021, and (b) Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, originally filed on May 4, 2021 (the "Q1 2021 Form 10-Q"), in Exhibit 99.3 and Exhibit 99.4, respectively. The information

in this Item 8.01 of Form 8-K is not an amendment to, or restatement of, the 2020 Form 10-K or the Q1 2021 Form 10-Q and does not modify or update the disclosures therein in any way, other than to reflect the Reverse Equity Splits.

The following items within the consolidated financial statements and accompanying footnotes contained within Part II, Item 8. "Financial Statements and Supplementary Data" of the 2020 Form 10-K are being revised as reflected in Exhibit 99.3 to this Form 8-K:

- Consolidated Balance Sheets as of December 31, 2020 and 2019;
- Consolidated Statements of Operations and Comprehensive (Loss) Income for the years ended December 31, 2020, 2019, and 2018;
- Consolidated Statements of Equity for the years ended December 31, 2020, 2019, and 2018; and
- Notes 1, 4, 5, 13, 14, 15, 17, 18, and 19 to the consolidated financial statements.

The following items within the condensed and unaudited consolidated financial statements contained within Part I, Item 1. "Financial Statements (Condensed and Unaudited)" of the Q1 2021 Form 10-Q are being revised as reflected in Exhibit 99.4 to this Form 8-K:

- Consolidated Balance Sheets as of March 31, 2021 and December 31, 2020;
- Consolidated Statements of Operations and Comprehensive Income (Loss) for the three months ended March 31, 2021 and 2020;
- Consolidated Statements of Equity for the three months ended March 31, 2021 and 2020; and
- Notes 1, 2, 9, 10, 12, and 13 to the condensed and unaudited consolidated financial statements.

This report, including Exhibit 99.3 and Exhibit 99.4, does not reflect events (other than the Reverse Equity Splits) occurring after the filing of each respective filing and does not modify or update the disclosures in such filing, other than as required to reflect the Reverse Equity Splits. This report should be read in conjunction with the 2020 Form 10-K, the Q1 2021 Form 10-Q, the Company's Definitive Proxy Statement on Schedule 14A filed on April 9, 2021, and the Company's Current Reports on Form 8-K filed subsequent to the 2020 Form 10-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
3.1	Articles Supplementary creating Class B Common Stock
3.2	Articles of Amendment effecting Reclassification
3.3	Articles of Amendment effecting Reverse Stock Split
3.4	Articles of Amendment adjusting Par Value
10.1	Credit Agreement among Phillips Edison Grocery Center Operating Partnership I, L.P., Phillips Edison & Company, Inc., the lenders party thereto, and PNC Bank, National Association as administrative agent, dated July 2, 2021
23.1	Consent of Independent Registered Accounting Firm
99.1	Press Release regarding Reverse Stock Split and Reclassification
99.2	Press Release regarding Closing New Credit Facilities
99.3	Recast Financial Statements Originally Included in the 2020 Form 10-K of Phillips Edison & Company, Inc.
99.4	Recast Financial Statements Originally Included in the Q1 2021 Form 10-Q of Phillips Edison & Company, Inc.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 2, 2021

PHILLIPS EDISON & COMPANY, INC.

By: /s/ John P. Caulfield

John P. Caulfield

Chief Financial Officer, Senior Vice President and Treasurer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES SUPPLEMENTARY

Phillips Edison & Company, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Under a power contained in Section 4.2 of Article IV of the charter of the Corporation (the "Charter"), the Board of Directors of the Corporation (the "Board"), by duly adopted resolutions, reclassified and designated 350,000,000 authorized but unissued shares of common stock, \$0.01 par value per share (the "Common Stock"), of the Corporation as 350,000,000 shares of Class B Common Stock, \$0.01 par value per share (the "Class B Common Stock"). There has been no increase in the authorized shares of stock of the Corporation effected by these Articles Supplementary.

SECOND: Except as set forth in the immediately following sentence, the Class B Common Stock shall have identical preferences, rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications, and terms and conditions of redemption as the Common Stock and all provisions of the Charter applicable to the Common Stock, including, without limitation, the provisions of Articles IV and V, shall apply to the Class B Common Stock. Upon the six-month anniversary of the listing of the Common Stock for trading on a national securities exchange or such earlier date or dates as shall be approved by the Board and announced publicly by the Corporation with respect to all or any portion of the outstanding shares of Class B Common Stock, each share of Class B Common Stock or of such portion of Class B Common Stock, as the case may be, shall automatically and without any action on the part of the holder thereof convert into one share of Common Stock.

THIRD: A description of the Common Stock is contained in the Charter.

FOURTH: The Class B Common Stock has been reclassified and designated by the Board under the authority contained in the Charter.

FIFTH: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

SIXTH: These Articles Supplementary shall become effective at 12:02 p.m. Eastern Time on July 2, 2021.

SEVENTH: The undersigned acknowledges these Articles Supplementary to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Corporation has caused these Articles Supplementary to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its General Counsel and Secretary on this 2nd day of July, 2021.

ATTEST:

PHILLIPS EDISON & COMPANY, INC.

By: /s/Tanya E. Brady
Name: Tanya E. Brady
Title: General Counsel and Secretary

By: /s/Jeffrey S. Edison
Name: Jeffrey S. Edison
Title: Chairman and Chief Executive
Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES OF AMENDMENT

Phillips Edison & Company, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland (the "SDAT") that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended to provide that, immediately upon the acceptance of these Articles of Amendment for record by the SDAT (the "Effective Time"), each share of common stock, \$0.01 par value per share, of the Corporation which was issued and outstanding immediately prior to the Effective Time shall be changed into one issued and outstanding share of Class B Common Stock, \$0.01 par value per share, of the Corporation.

SECOND: The amendment to the Charter as set forth above has been duly advised by the Board of Directors and approved by the stockholders of the Corporation entitled to vote thereon as required by law.

THIRD: There has been no increase in the authorized shares of stock of the Corporation effected by the amendment to the Charter as set forth above.

FOURTH: The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its General Counsel and Secretary on this 2nd day of July, 2021.

ATTEST:

PHILLIPS EDISON & COMPANY, INC.

By: /s/Tanya E. Brady
Name: Tanya E. Brady
Title: General Counsel and Secretary

By: /s/Jeffrey S. Edison
Name: Jeffrey S. Edison
Title: Chairman and Chief Executive
Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES OF AMENDMENT

Phillips Edison & Company, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended to provide that, upon the Effective Time (as defined below), every three shares of common stock of the Corporation (the "Common Stock"), \$0.01 par value per share, issued and outstanding immediately prior to the Effective Time shall automatically be changed into one issued and outstanding share of Common Stock, \$0.03 par value per share, without any further action by the Corporation or the holder thereof.

SECOND: The amendment to the Charter as set forth above have been approved by a majority of the entire Board of Directors and the amendment is limited to a reverse stock split authorized by the Maryland General Corporation Law (the "MGCL") to be effected without action by the stockholders pursuant to Section 2-309(e) of the MGCL.

THIRD: There has been no increase in the authorized shares of stock of the Corporation effected by the amendment to the Charter as set forth above.

FOURTH: These Articles of Amendment shall become effective at 12:00 p.m. Eastern Time, on July 2, 2021 (the "Effective Time").

FOURTH: The undersigned officer acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its General Counsel and Secretary on this 2nd day of July, 2021.

ATTEST:

PHILLIPS EDISON & COMPANY, INC.

By: /s/Tanya E. Brady
Name: Tanya E. Brady
Title: General Counsel and Secretary

By: /s/Jeffrey S. Edison
Name: Jeffrey S. Edison
Title: Chairman and Chief Executive
Officer

PHILLIPS EDISON & COMPANY, INC.

ARTICLES OF AMENDMENT

Phillips Edison & Company, Inc., a Maryland corporation (the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The charter of the Corporation (the "Charter") is hereby amended to decrease the par value of the issued and outstanding shares of common stock of the Corporation (the "Common Stock") from \$0.03 par value per share to \$0.01 par value per share and, thereby, reduce the aggregate par value of all authorized shares of Common Stock to \$10,000,000.00 and reduce the aggregate par value of all authorized shares to \$10,100,000.00.

SECOND: The amendment to the Charter as set forth above has been approved by a majority of the entire Board of Directors and the amendment is limited to a change expressly authorized by Section 2-605 of Maryland General Corporation Law to be made without action by the stockholders.

THIRD: There has been no increase in the authorized shares of stock of the Corporation effected by the amendment to the Charter as set forth above.

FOURTH: These Articles of Amendment shall become effective at 12:01 p.m. Eastern Time on July 2, 2021.

FIFTH: The undersigned officer acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

[The remainder of this page has been left blank intentionally.]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its General Counsel and Secretary on this 2nd day of July, 2021.

ATTEST:

PHILLIPS EDISON & COMPANY, INC.

By: /s/Tanya E. Brady
Name: Tanya E. Brady
Title: General Counsel and Secretary

By: /s/Jeffrey S. Edison
Name: Jeffrey S. Edison
Title: Chairman and Chief Executive
Officer

Published CUSIP Numbers:
Deal: 71845KAE5
Revolving Facility: 71845KAF2
Term A-1 Facility: 71845KAG0
Term A-2 Facility: 71845KAH8

CREDIT AGREEMENT

Dated as of July 2, 2021

among

PHILLIPS EDISON GROCERY CENTER OPERATING PARTNERSHIP I, L.P. as the Borrower,
PHILLIPS EDISON & COMPANY, INC.
as the Parent Entity

PNC BANK, NATIONAL ASSOCIATION as Administrative Agent, a Swing Line Lender and an L/C Issuer,

KEYBANK NATIONAL ASSOCIATION,
BOFA SECURITIES, INC.,
JPMORGAN CHASE BANK, N.A.

and

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Revolving Co-Syndication Agents,

BMO HARRIS BANK, N.A.
CAPITAL ONE NATIONAL ASSOCIATION,
FIFTH THIRD BANK, NATIONAL ASSOCIATION,

and

REGIONS BANK,
as Term Co-Syndication Agents,

BMO HARRIS BANK, N.A.,
CAPITAL ONE, NATIONAL ASSOCIATION,
FIFTH THIRD BANK, NATIONAL ASSOCIATION,
MORGAN STANLEY SENIOR FUNDING, INC.

and

REGIONS BANK,
as Revolving Co-Documentation Agents

KEYBANK NATIONAL ASSOCIATION,
as a Swing Line Lender and L/C Issuer

PNC CAPITAL MARKETS LLC,
as Sustainability Agent

and

THE OTHER LENDERS PARTY HERETO

PNC CAPITAL MARKETS LLC,
KEYBANC CAPITAL MARKETS,
BOFA SECURITIES, INC.,
JPMORGAN CHASE BANK, N.A.

and

WELLS FARGO SECURITIES, LLC,
as Joint Lead Arrangers for the Revolving Loans

PNC CAPITAL MARKETS LLC
and

KEYBANC CAPITAL MARKETS,
as Joint Bookrunners for the Revolving Loans

PNC CAPITAL MARKETS LLC
BMO CAPITAL MARKETS CORP.,
CAPITAL ONE, NATIONAL ASSOCIATION,
FIFTH THIRD SECURITIES, INC.

and

REGIONS CAPITAL MARKETS,
as Joint Lead Arrangers and Bookrunners for the Term Loans

TABLE OF CONTENTS

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

- 1.01 Defined Terms
- 1.02 Other Interpretive Provisions
- 1.03 Accounting Terms
- 1.04 Rounding
- 1.05 Times of Day; Rates
- 1.06 Letter of Credit Amounts
- 1.07 LIBOR Notification

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS

- 2.01 Commitments
- 2.02 Borrowings, Conversions and Continuations of Loans
- 2.03 Letters of Credit
- 2.04 Swing Line Loans
- 2.05 Prepayments
- 2.06 Termination or Reduction of Aggregate Revolving Commitments
- 2.07 Repayment of Loans
- 2.08 Interest
- 2.09 Fees
- 2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate
- 2.11 Evidence of Debt
- 2.12 Payments Generally; Administrative Agent's Clawback
- 2.13 Sharing of Payments by Lenders
- 2.14 Cash Collateral
- 2.15 Defaulting Lenders
- 2.16 Increase in Commitments
- 2.17 Extension of Maturity Date
- 2.18 Sustainability Adjustments

ARTICLE III TAXES, YIELD PROTECTION AND ILLEGALITY

- 3.01 Taxes
- 3.02 Illegality
- 3.03 Benchmark Replacement Setting
- 3.04 Increased Costs
- 3.05 Compensation for Losses
- 3.06 Mitigation Obligations, Replacement of Lenders
- 3.07 Survival

ARTICLE IV GUARANTY

- 4.01 The Guaranty
- 4.02 Obligations Unconditional
- 4.03 Reinstatement
- 4.04 Certain Additional Waivers
- 4.05 Remedies
- 4.06 Rights of Contribution
- 4.07 Guarantee of Payment; Continuing Guarantee
- 4.08 Keepwell

ARTICLE V CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

- 5.01 Conditions of Initial Credit Extension
- 5.02 Conditions to All Credit Extensions

ARTICLE VI REPRESENTATIONS AND WARRANTIES

- 6.01 Existence, Qualification and Power
- 6.02 Authorization; No Contravention
- 6.03 Governmental Authorization; Other Consents
- 6.04 Binding Effect
- 6.05 Financial Statements; No Material Adverse Effect
- 6.06 Litigation
- 6.07 [Reserved]
- 6.08 Ownership of Property; Liens
- 6.09 Environmental Compliance
- 6.10 Insurance
- 6.11 Taxes
- 6.12 ERISA Compliance
- 6.13 [Reserved]
- 6.14 Margin Regulations; Investment Company Act
- 6.15 Disclosure
- 6.16 Compliance with Laws
- 6.17 Intellectual Property; Licenses, Etc.
- 6.18 Solvency
- 6.19 OFAC
- 6.20 REIT Status
- 6.21 Anti-Money Laundering Laws
- 6.22 Anti-Corruption Laws
- 6.23 Affected Financial Institution
- 6.24 Covered Entities

ARTICLE VII AFFIRMATIVE COVENANTS

- 7.01 Financial Statements
- 7.02 Certificates; Other Information
- 7.03 Notices

7.04	Payment of Obligations
7.05	Preservation of Existence, Etc. and REIT Status
7.06	Maintenance of Properties
7.07	Maintenance of Insurance
7.08	Compliance with Laws
7.09	Books and Records
7.10	Inspection Rights
7.11	Use of Proceeds
7.12	ERISA Compliance
7.13	Addition of Subsidiary Guarantors
ARTICLE VIII NEGATIVE COVENANTS	
8.01	Liens
8.02	[Reserved]
8.03	Indebtedness
8.04	Fundamental Changes
8.05	Dispositions
8.06	Restricted Payments
8.07	Change in Nature of Business
8.08	Transactions with Affiliates
8.09	Burdensome Agreements
8.10	Use of Proceeds
8.11	Financial Covenants
8.12	Organization Documents; Fiscal Year' Legal Name, State of Formation and Form of Entity
8.13	Sanctions
8.14	Anti-Corruption Laws
ARTICLE IX EVENTS OF DEFAULT AND REMEDIES	
9.01	Events of Default
9.02	Remedies Upon Event of Default
9.03	Application of Funds
ARTICLE X ADMINISTRATIVE AGENT	
10.01	Appointment and Authority
10.02	Rights as a Lender
10.03	Exculpatory Provisions
10.04	Reliance by Administrative Agent
10.05	Delegation of Duties
10.06	Resignation of Administrative Agent
10.07	Non-Reliance on Administrative Agent and Other Lenders
10.08	No Other Duties; Etc.
10.09	Administrative Agent May File Proofs of Claim
10.10	Collateral and Guaranty Matters
10.11	Treasury Management Agreements and Swap Contracts

10.12	ERISA Matters
10.13	Erroneous Payments
10.14	No Reliance on Agent's Customer Identification Program
ARTICLE XI MISCELLANEOUS	
11.01	Amendments, Etc.
11.02	Notices and Other Communications; Facsimile Copies
11.03	No Waiver; Cumulative Remedies; Enforcement
11.04	Expenses; Indemnity; and Damage Waiver
11.05	Payments Set Aside
11.06	Successors and Assigns
11.07	Treatment of Certain Information; Confidentiality
11.08	Set-off
11.09	Interest Rate Limitation
11.10	Counterparts; Intergration; Effectiveness
11.11	Survival of Representations and Warranties
11.12	Severability
11.13	Replacement of Lenders
11.14	Governing Law; Jurisdiction; Etc.
11.15	Waiver of Right to Trial by Jury
11.16	Electronic Execution of Assignments and Certain Other Documents
11.17	USA PATRIOT Act
11.18	No Advisory of Fiduciary Relationship
11.19	Acknowledgement and Consent to Bail-In of Affected Financial Institutions
11.20	Acknowledgement Regarding Any Supported QFCs
SCHEDULES	
1.01	Existing Letters of Credit
2.01	Commitments and Applicable Percentages
2.03	L/C Commitments
2.04	Swing Line Commitments
6.08	Property
11.02	Certain Addresses for Notices
EXHIBITS	
A	Form of Loan Notice
B	Form of Swing Line Loan Notice
C	Form of Revolving Note
D	Form of Swing Line Note
E	Form of Compliance Certificate
F-1	Form of Term A-1 Note
F-2	Form of Term A-2 Note

G	Form of Joinder Agreement
H	Form of Assignment and Assumption
I	Forms of U.S. Tax Compliance Certificates
J	Form of Pricing Certificate

CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of July 2, 2021 among PHILLIPS EDISON GROCERY CENTER OPERATING PARTNERSHIP I, L.P., a Delaware limited partnership (the “Borrower”), PHILLIPS EDISON & COMPANY, INC. (or its successors as permitted hereunder, the “Parent Entity”), the other Guarantors (defined herein), the Lenders (defined herein), PNC BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swing Line Lender and L/C Issuer and the other Swing Line Lenders and L/C Issuers.

The Lenders have agreed to provide the Borrower with a \$500,000,000 revolving facility, and two \$240,000,000 term facilities on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms.

As used in this Agreement, the following terms shall have the meanings set forth below:

“Adjusted EBITDA” means (i) Consolidated EBITDA for the most recently ended period of four fiscal quarters minus (ii) the aggregate Annual Capital Expenditure Adjustment.

“Administrative Agent” means PNC Bank in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 11.02 or such other address or account as the Administrative Agent may from time to time notify the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Revolving Commitments” means the Revolving Commitments of all the Lenders as adjusted from time to time pursuant to this Agreement. The aggregate principal amount of the Aggregate Revolving Commitments in effect on the Closing Date is FIVE HUNDRED MILLION DOLLARS (\$500,000,000).

“Agreement” means this Credit Agreement.

“Annual Capital Expenditure Adjustment” means, for any retail Property, an amount equal to the product of (a) \$0.15 multiplied by (b) the aggregate net rentable area (determined on a square feet basis) of all such Properties.

“Anti-Money Laundering Laws” has the meaning set forth in Section 6.21.

“Applicable Percentage” means with respect to any Lender at any time, (a) with respect to such Lender’s Revolving Commitment, the percentage of the Aggregate Revolving Commitments represented by such Lender’s Revolving Commitment at such time, subject to adjustment as provided in Section 2.15, (b) with respect to such Lender’s portion of the outstanding Term Loan A-1, the percentage of the outstanding principal amount of the Term Loan A-1 held by such Lender at such time, (c) with respect to such Lender’s portion of the outstanding Term Loan A-2, the percentage of the outstanding principal amount of the Term Loan A-2 held by such Lender at such time and (d) with respect to such Lender’s portion of the outstanding amount of any Incremental Term Loan, the percentage of the outstanding principal amount of such Incremental Term Loan held by such Lender at such time; provided that if the commitment of each Lender to make Revolving Loans and the obligation of a L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 9.02 or if the Aggregate Revolving Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender in respect of the Revolving Facility, the Term Loan A-1 and the Term Loan A-2 is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption or other agreement pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Rate” means:

(a) subject to clause (b) below, the applicable rate per annum set forth in the table below opposite the Leverage Ratio, as determined as of the last day of the immediately preceding fiscal quarter.

Pricing Level	Leverage Ratio	Applicable Rate for Revolving Loan Eurodollar Rate Loans/LIBOR Daily Floating Rate Loans and Letters of Credit	Applicable Rate for Revolving Loan Base Rate Loans (including Swing Line Loans)	Applicable Rate for Term Loan A-1 and Term Loan A-2 Eurodollar Rate Loans/ LIBOR Daily Floating Rate Loans	Applicable Rate for Term Loan A-1 and Term Loan A-2 Base Rate Loans
1	≤ 40%	1.25%	0.25%	1.20%	0.20%
2	> 40% - ≤ 45%	1.35%	0.35%	1.25%	0.25%
3	> 45% - ≤ 50%	1.50%	0.50%	1.35%	0.35%
4	> 50% - ≤ 55%	1.70%	0.70%	1.50%	0.50%
5	> 55% - ≤ 60%	1.90%	0.90%	1.70%	0.70%
6	> 60%	2.10%	1.10%	1.90%	0.90%

Any increase or decrease in the Applicable Rate resulting from a change in the Leverage Ratio shall become effective as of the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(a); provided, however, that if a Compliance Certificate is not delivered when due in accordance with such Section 7.02(a), then, upon the request of the Required Lenders, Pricing Level 6 shall apply as of the first Business Day after the date on which such Compliance Certificate was required to have been delivered and shall continue to apply until the first Business Day immediately following the date a Compliance Certificate is delivered in accordance with Section 7.02(a), whereupon the Applicable Rate shall be adjusted based upon the calculation of the Leverage Ratio contained in

such Compliance Certificate; and provided further, that the Applicable Rate for any Incremental Term Loan shall be set forth in the relevant Incremental Term Loan Agreement. The Applicable Rate in effect from the Closing Date to the first Business Day immediately following the date a Compliance Certificate is delivered pursuant to Section 7.02(a) for the fiscal quarter ending September 30, 2021 shall be determined based on Pricing Level 2. Notwithstanding anything to the contrary contained in this clause (a), the determination of the Applicable Rate under this clause (a) for any period shall be subject to the provisions of Section 2.10(b), unless written notice is received pursuant to clause (b) below.

- (b) If the Parent Entity obtains an Investment Grade Rating, the Borrower may, upon written notice to the Administrative Agent, (i) make an irrevocable one time written election to exclusively use the below table for Revolving Loans and/or (ii) make an irrevocable one time written election to exclusively use the below table for Term Loans, in each case based on the Debt Rating of the Parent Entity (setting forth the date for such election to be effective, which shall be the date of election), and thereafter the Applicable Rate shall be determined based on the applicable rate per annum set forth in the below tables for Revolving Loans and Term Loans, as applicable, notwithstanding any failure of the Parent Entity to maintain such Investment Grade Rating or any failure of Parent Entity to maintain a Debt Rating.

Pricing Level	Debt Rating of Parent Entity	Applicable Rate for Revolving Loan Eurodollar Rate Loans/ LIBOR Daily Floating Rate Loans and Letters of Credit	Applicable Rate for Revolving Loan Base Rate Loans (including Swing Line Loans)	Facility Fee	Applicable Rate for Term Loan Eurodollar Rate Loans/ LIBOR Daily Floating Rate Loans	Applicable Rate for Term Loan Base Rate Loans
1	≥ A- / A3 / A-	0.725%	N/A	0.125%	0.800%	N/A
2	< A- / A3 / A- ≥ BBB+ / Baa1 / BBB+	0.775%	N/A	0.150%	0.850%	N/A
3	< BBB+ / Baa1 / BBB+ ≥ BBB / Baa2 / BBB	0.850%	N/A	0.200%	0.950%	N/A
4	< BBB / Baa2 / BBB ≥ BBB- / Baa3 / BBB-	1.050%	0.050%	0.250%	1.200%	0.200%
5	< BBB- / Baa3 / BBB- or unrated	1.400%	0.400%	0.300%	1.600%	0.600%

Each change in the Applicable Rate resulting from a change in the Debt Rating of the Parent Entity shall be effective for the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. Notwithstanding the above, after making the one time election described herein, (i) if at any time there are two ratings and there is a split in such Debt Ratings of the Parent Entity, and the Debt Ratings differ by one level, then the Pricing Level for the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level 1 being the highest and the Debt Rating for Pricing Level 5 being the lowest); (ii) if there are two ratings and there is a split in Debt Ratings of the Parent

Entity of more than one level, then the Pricing Level that is one level lower than the Pricing Level of the higher Debt Rating shall apply; (iii) if the Parent Entity has only one Debt Rating, such Debt Rating shall apply; provided, that, if the only Debt Rating is from Fitch, then pricing shall be set at Pricing Level 5; (iv) if there are three ratings, but two ratings are at the same level, then the Pricing Level for those two Debt Ratings shall apply; (v) if there are three ratings and each rating is at a different level, the Pricing Level for the middle Debt Rating shall apply; and (vi) if S&P, Moody's and Fitch discontinue their ratings of the REIT industry generally or the Parent Entity specifically (so long as the reason for such discontinuance is not the Parent Entity's non-payment for the services of S&P, Moody's and Fitch), (A) for the period from such discontinuance until the earlier of (x) ninety days after such discontinuance and (y) the date the Parent Entity receives a rating from another substitute rating agency reasonably acceptable to the Administrative Agent, the Pricing Level in effect immediately prior to such discontinuance shall apply, (B) if no such substitute rating agency reasonably acceptable to the Administrative Agent has been identified and accepted by the Administrative Agent within 90 days of such discontinuance, Pricing Level 5 under this subsection (b) shall apply and (C) if the Parent Entity receives a substitute rating from a rating agency reasonably acceptable to the Administrative Agent, the above pricing grid will be adjusted upon the receipt of such new rating from such new rating agency in a manner that the Pricing Levels based on such new rating most closely correspond to the above ratings levels.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means PNCCM, KeyBanc Capital Markets, BofA Securities, Inc., BMO Capital Markets Corp., Wells Fargo Securities, LLC, JPMorgan Chase Bank, N.A., Capital One National Association, Fifth Third Securities, Inc. and Regions Capital Markets.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit H or any other form (including electronic documentation generated by MarkitClear or other electronic platform) approved by the Administrative Agent.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease Obligations of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP and (b) in respect of any Synthetic Lease Obligations of any Person, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease Obligations.

"Audited Financial Statements" means the audited consolidated balance sheet of the Consolidated Group for the fiscal year ended December 31, 2020, and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year of the Consolidated Group, including the notes thereto, audited by independent public accountants of recognized national standing and prepared in conformity with GAAP.

“Availability Period” means the period from and including the Closing Date to the earliest of (a) the Revolving Maturity Date, (b) the date of termination of the Aggregate Revolving Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuers to make L/C Credit Extensions pursuant to Section 9.02.

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a) if the then current Benchmark is a term rate or is based on a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 3.03(e) or (b) if the then current Benchmark is not a term rate nor based on a term rate, any payment period for interest calculated with reference to such Benchmark pursuant to this Agreement as of such date. For the avoidance of doubt, the Available Tenor for the LIBOR Daily Floating Rate is one month.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) 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, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Balance Sheet Cash” means all unrestricted cash and Cash Equivalents set forth on the balance sheet of the Consolidated Group, as determined in accordance with GAAP.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by PNC Bank as its “prime rate” and (c) the Eurodollar Rate plus 1.00%; provided that if the Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement. The “prime rate” is a rate set by PNC Bank based upon various factors including PNC Bank’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the “prime rate” announced by PNC Bank shall take effect at the opening of business on the day specified in the public announcement of such change. If the Base Rate is being used as an alternate rate of interest pursuant to Section 3.03 hereof, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Benchmark” means, initially, USD LIBOR; provided that if a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Election, as applicable, and its related Benchmark Replacement Date have occurred with respect

to USD LIBOR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 3.03(b).

“Benchmark Replacement” means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date; provided, that in the event there are outstanding Swap Obligations, the Benchmark Replacement alternative set forth in clause (1) below shall not apply to the Facility and the alternative set forth below in clause (2) shall be the first alternative:

- (1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;
- (2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; provided, further, that, in the case of an Other Benchmark Rate Election, the “Benchmark Replacement” shall mean the alternative set forth in clause (3) above and when such clause is used to determine the Benchmark Replacement in connection with the occurrence of an Other Benchmark Rate Election, the alternate benchmark rate selected by the Administrative Agent and the Borrower shall be the benchmark rate that is used in lieu of a USD LIBOR-based rate in relevant other U.S. dollar-denominated syndicated credit facilities; provided, further, that, with respect to a Term SOFR Transition Event, on the applicable Benchmark Replacement Date, the “Benchmark Replacement” shall revert to and shall be determined as set forth in clause (1) of this definition. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor for any setting of such Unadjusted Benchmark Replacement:

- (1) for purposes of clauses (1) and (2) of the definition of “Benchmark Replacement,” the applicable amount(s) set forth below:

Available Tenor	Benchmark Replacement Adjustment*
-----------------	-----------------------------------

One-Month	0.11448% (11.448 basis points)
Three-Months	0.26161% (26.161 basis points)
Six-Months	0.42826% (42.826 basis points)
* These values represent the ARRC/ISDA recommended spread adjustment values available here: https://assets.bbhub.io/professional/sites/10/IBOR-Fallbacks-LIBOR-Cessation_Announcement_20210305.pdf	

- (2) for purposes of clause (3) of the definition of “Benchmark Replacement,” the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities;

provided that, if the then-current Benchmark is a term rate, more than one tenor of such Benchmark is available as of the applicable Benchmark Replacement Date and the applicable Unadjusted Benchmark Replacement will not be a term rate, the Available Tenor of such Benchmark for purposes of this definition of “Benchmark Replacement Adjustment” shall be deemed to be the Available Tenor that has approximately the same length (disregarding business day adjustments) as the payment period for interest calculated with reference to such Unadjusted Benchmark Replacement.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Base Rate,” the definition of “Business Day,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the

calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date determined by the Administrative Agent, which date shall promptly follow the date of the public statement or publication of information referenced therein;

(3) in the case of a Term SOFR Transition Event, the date that is set forth in the Term SOFR Notice provided to the Lenders and the Borrower pursuant to this Section titled “Benchmark Replacement Setting”, which date shall be at least thirty (30) days from the date of the Term SOFR Notice; or

(4) in the case of an Early Opt-in Election or an Other Benchmark Rate Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate, as applicable, is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Early Opt-in Election or Other Benchmark Rate Election, as applicable, is provided to the Lenders, written notice of objection to such Early Opt-in Election or Other Benchmark Rate Election, as applicable, from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by a Governmental Authority having jurisdiction over the Administrative Agent, the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or

publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) or a Governmental Authority having jurisdiction over the Administrative Agent announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Unavailability Period” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan.”

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“BofA Agreement” means that certain Amended and Restated Credit Agreement dated as of November 16, 2018 among the Borrower, the Parent Entity, the other guarantors party thereto, the lenders party thereto and Bank of America, N.A. as administrative agent, as such agreement is amended, modified, restated or replaced from time to time.

“Borrower” has the meaning specified in the introductory paragraph hereto.

“Borrower Materials” has the meaning specified in Section 7.02.

“Borrowing” means each of the following: (a) a borrowing of Swing Line Loans pursuant to Section 2.04, (b) a Revolving Borrowing and (c) a Term Borrowing.

“Business Day” means 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 where the Administrative Agent’s Office is located and, if such day relates to any Eurodollar Rate Loan, means any such day that is also a London Banking Day.

“Capital Event” means the consummation of an initial public offering of common equity of the Parent Entity generating Net Cash Proceeds of at least \$400,000,000 and listing of such common equity on the New York Stock Exchange or the NASDAQ.

“Capitalization Rate” means six and one half percent (6.50%).

“Capitalized Lease Obligation” means the monetary obligation of a Person under any lease of any property by such Person as lessee which would, in accordance with GAAP, be required to be accounted for as a capital lease on the balance sheet of such Person.

“Capital One Agreement” means that certain Credit Agreement dated as of September 25, 2017 (as amended, modified, or restated from time to time) among the Borrower, the Parent Entity, any other guarantors party thereto, and Capital One, National Association, as administrative agent.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of a L/C Issuer or the Lenders, as collateral for L/C Obligations or obligations of the Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances or, if the Administrative Agent and a L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to the Administrative Agent and such L/C Issuer. “Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Cash Equivalents” means, as at any date, (a) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (b) Dollar denominated time deposits and certificates of deposit of (i) any Lender, (ii) any domestic commercial bank of recognized standing having capital and surplus in excess of \$500,000,000 or (iii) any bank whose short-term commercial paper rating from S&P is at least A-1 or the equivalent thereof or from Moody’s is at least P-1 or the equivalent thereof (any such bank being an “Approved Bank”), in each case with maturities of not more than 270 days from the date of acquisition, (c) commercial paper and variable or fixed rate notes issued by any Approved Bank (or by the parent company thereof) or any variable rate notes issued by, or guaranteed by, any domestic corporation rated A-1 (or the equivalent thereof) or better by S&P or P-1 (or the equivalent thereof) or better by Moody’s and maturing within six months of the date of acquisition, (d) repurchase agreements entered into by any Person with a bank or trust company (including any of the Lenders) or recognized securities dealer having capital and surplus in excess of \$500,000,000 for direct obligations issued by or fully guaranteed by the United States in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations and (e) investments, classified in accordance with GAAP as current assets, in money market investment programs registered under the Investment Company Act of 1940 which are administered by reputable financial institutions having capital of at least \$500,000,000 and the portfolios of which are limited to investments of the character described in the foregoing subdivisions (a) through (d).

“Change in Law” means 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 or in the implementation thereof 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, issued or implemented.

“Change of Control” means the occurrence of any of the following events:

- (a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding the Key Principals, their respective immediate family members, Affiliates, or trusts or entities for the benefit of, or directly or indirectly controlled by, the Key Principals or their respective immediate family members and any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan), is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire (such right, an “option right”), whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of 40% of the Equity Interests of the Parent Entity entitled to vote for members of the board of directors or equivalent governing body of the Parent Entity on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);
- (b) during any period of 12 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Parent Entity cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body (including, without limitation, each replacement for any such members resulting from (1) the death or incapacity of any such member and/or (2) the resignation or removal of any such member or any such member’s refusal to stand or failure to be nominated for re-election to the board or other equivalent governing body);
- (c) the Parent Entity (i) ceases to own, directly or indirectly, a majority of the Voting Stock and economic and beneficial interests of the Borrower, or (ii) ceases to be the sole owner of the General Partner; or
- (d) the General Partner ceases to be the sole general partner of the Borrower.

“Closing Date” means the date of this Agreement.

“Closing Date Material Adverse Effect” means any event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent), or financial condition of the Consolidated Group, taken as a whole, (B) a material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or of the ability of the Borrower and the Guarantors taken as a whole to perform their obligations under any Loan Document, and (C) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or a Guarantor of any Loan Document to which it is a party.

“CO2e” has the meaning given that term in the definition of KPI Metric.

“Commitment” means, as to each Lender, the Revolving Commitment of such Lender, the Term Loan A-1 Commitment of such Lender, the Term Loan A-2 Commitment of such Lender, and any commitment of such Lender to make an Incremental Term Loan, as applicable.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 *et seq.*) as amended or otherwise modified, and any successor statute.

“Compliance Certificate” means a certificate substantially in the form of Exhibit E.

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDA” means, for the Consolidated Group, without duplication, the sum of (a) Net Income of the Consolidated Group, in each case, excluding (i) any non-recurring, extraordinary and unusual charges, expenses, impairment, gains and losses for such period (including, without limitation, prepayment penalties and costs or fees incurred in connection with any capital markets offering, debt financing, or amendment thereto, redemption or exchange of Indebtedness, tender offer, lease termination, business combination, acquisition, exchange listing or delisting, disposition, recapitalization or similar transaction including, without limitation, pursuant to any Permitted Reorganization (regardless of whether such transaction is completed), (ii) any income or gain and any loss in each case resulting from early extinguishment of Indebtedness, (iii) any net income or gain or any loss resulting from a swap or other derivative contract (including by virtue of a termination thereof) and (iv) non-cash expenses or charges, plus (b) an amount which, in the determination of net income for such period pursuant to clause (a) above, has been deducted for or in connection with (i) Interest Expense, (ii) income taxes, (iii) depreciation and amortization, (iv) adjustments as a result of the straight lining of rents, (v) amortization of above and below market lease adjustments and market debt adjustments, (vi) amortization of tenant allowance, (vii) amortization of deferred financing costs, in each case of (i) through (vii) above, as determined in accordance with GAAP and (viii) the Unused Fee or Facility Fee, as applicable, plus (c) the Consolidated Group Pro Rata Share of the above attributable to interests in Unconsolidated Affiliates.

“Consolidated Group” means the Loan Parties and their consolidated subsidiaries, as determined in accordance with GAAP.

“Consolidated Group Pro Rata Share” means, with respect to any Unconsolidated Affiliate, the percentage of the total equity ownership interests held by the Consolidated Group, in the aggregate, in such Unconsolidated Affiliate determined by calculating the greater of (a) the percentage of the issued and outstanding stock, partnership interests or membership interests in such Unconsolidated Affiliate held by the Consolidated Group in the aggregate and (b) the

percentage of the total book value of such Unconsolidated Affiliate that would be received by the Consolidated Group in the aggregate, upon liquidation of such Unconsolidated Affiliate, after repayment in full of all Indebtedness of such Unconsolidated Affiliate; provided, that to the extent a given calculation includes liabilities, obligations or Indebtedness of any Unconsolidated Affiliate and the Consolidated Group, in the aggregate, is or would be liable for a portion of such liabilities, obligations or Indebtedness in a percentage in excess of that calculated pursuant to clauses (a) and (b) above, the “Consolidated Group Pro Rata Share” with respect to such liabilities, obligations or Indebtedness shall be equal to the percentage of such liabilities, obligations or Indebtedness for which the Consolidated Group is or would be liable.

“Construction in Progress” means, as of any date, any Property then under development; provided that a Property shall no longer be included in Construction in Progress and shall be deemed to be a stabilized project upon the earlier of (a) the date on which the first rental payment for such Property is received and (b) the last day of the fiscal quarter in which the annualized Net Operating Income attributable to such Property divided by the Capitalization Rate exceeds the undepreciated book value of such Property.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto. Without limiting the generality of the foregoing, a Person shall be deemed to be Controlled by another Person if such other Person possesses, directly or indirectly, power to vote 5% or more of the securities having ordinary voting power for the election of directors, managing general partners or the equivalent.

“Control Approach” has the meaning described in the GHG Protocol Corporate Reporting and Accounting Standard.

“Corresponding Tenor” with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

“Covered Entity” means any of the following: (a) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Credit Extension” means each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Daily Simple SOFR” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“Debt Rating” means, as of any date of determination, the rating as determined by either S&P, Moody’s or Fitch, of a Person’s non-credit-enhanced, senior unsecured long-term debt. The Debt Rating in effect at any date is the Debt Rating that is in effect at the close of business on such date.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, 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” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Rate, if any, applicable to Base Rate Loans plus (iii) 2% per annum; provided, however, that with respect to a Eurodollar Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, in each case to the fullest extent permitted by applicable Laws and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate plus 2% per annum.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means, subject to Section 2.15(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the 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 the Administrative Agent, the applicable L/C Issuer, the applicable Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the applicable L/C Issuer or the applicable 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 (3) Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the 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 the Administrative Agent and the 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, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit

Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided, that, a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interests 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 the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.15(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuers, the Swing Line Lenders and each other Lender promptly following such determination.

“Delaware LLC” means any limited liability company organized or formed under the laws of the State of Delaware.

“Delaware LLC Division” means (a) the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act or (b) the statutory division of any limited liability company organized under the laws of any other jurisdiction into two or more limited liability companies pursuant to the applicable provisions of such jurisdiction’s limited liability company laws.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory is the subject of any Sanction.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any Sale and Leaseback Transaction) of any property by any Loan Party or any Subsidiary (including the Equity Interests of any Subsidiary), 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.

“Dividend Payout Ratio” means, for any four fiscal quarter period, the ratio of (a) an amount equal to (i) one hundred percent (100%) of all dividends or other distributions paid, direct or indirect, on account of any Equity Interests of the Parent Entity (except (x) for dividends or other distributions payable solely in shares of that class of Equity Interest to the holders of that class and (y) in connection with any redemption, retirement, surrender, defeasance, repurchase, purchase or other similar transaction or acquisition for value, direct or indirect, on account of any Equity Interests of the Parent Entity) during such four fiscal quarter period, and (ii) prior to a Capital Event, less any amount of such dividends or distributions constituting Dividend Reinvestment Proceeds, to (b) Funds From Operations of the Consolidated Group for such four fiscal quarter period.

“Dividend Reinvestment Proceeds” means all dividends or other distributions, direct or indirect, on account of any shares of any Equity Interests of the Parent Entity which any holder(s) of such Equity Interests direct to be used, concurrently with the making of such

dividend or distribution, for the purpose of purchasing for the account of such holder(s) additional Equity Interests in the Consolidated Group.

“Dollar” and “\$” mean lawful money of the United States.

“Early Opt-in Election” means, if the then-current Benchmark is USD LIBOR, the occurrence of:

(1) a notification by the Administrative Agent to (or the request by the Borrower to the Administrative Agent to notify) each of the other parties hereto that at least five (5) currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) the joint election by the Administrative Agent and the Borrower to trigger a fallback from USD LIBOR and the provision by the Administrative Agent of written notice of such election to the Lenders.

“EEA Financial Institution” means (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” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

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

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 11.06(b)(iii) and (v) (subject to such consents, if any, as may be required under Section 11.06(b)(iii)).

“Environmental Laws” means any and all federal, state, local, foreign and other applicable statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or (to the extent any such liability is recourse to a Loan Party) any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law with respect to any project, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials on any project, (c) exposure of any project to any Hazardous Materials, (d) the release of any Hazardous Materials originating from

any project into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Internal Revenue Code (and Sections 414(m) and (o) of the Internal Revenue Code for purposes of provisions relating to Section 412 of the Internal Revenue Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) the withdrawal of the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which such entity was a “substantial employer” as defined in Section 4001(a)(2) of ERISA or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Pension Plan amendment as a termination under Sections 4041 or 4041A of ERISA; (e) the institution by the PBGC of proceedings to terminate a Pension Plan; (f) any event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (g) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Internal Revenue Code or Sections 303, 304 and 305 of ERISA; or (h) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

“Erroneous Payment” has the meaning assigned to it in Section 10.13(a).

“Erroneous Payment Notice” has the meaning assigned to it in Section 10.13(a).

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

“Eurodollar Base Rate”:

- (a) means, for any Interest Period with respect to a Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for U.S. Dollars for a period equal in length to such Interest Period (“LIBOR”)), as published on the applicable Bloomberg screen page (or such other commercially available source providing such

quotations as may be designated by the Administrative Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period;

(b) means, for any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at approximately 11:00 a.m., London time, determined two Business Days prior to such date for Dollar deposits with a term of one month commencing that date; and

(c) if the Eurodollar Base Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Eurodollar Rate” means (a) for any Interest Period with respect to any Eurodollar Rate Loan, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Eurodollar Rate Loan for such Interest Period by (ii) one minus the Eurodollar Reserve Percentage for such Eurodollar Rate Loan for such Interest Period and (b) for any day with respect to any Base Rate Loan bearing interest at a rate based on the Eurodollar Rate, a rate per annum determined by the Administrative Agent to be equal to the quotient obtained by dividing (i) the Eurodollar Base Rate for such Base Rate Loan for such day by (ii) one minus the Eurodollar Reserve Percentage for such Base Rate Loan for such day.

“Eurodollar Rate Loan” means a Loan that bears interest at a rate based on clause (a) of the definition of “Eurodollar Rate”.

“Eurodollar Reserve Percentage” means, for any day, the reserve percentage (expressed as a decimal, carried out to five decimal places) in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the FRB for determining the maximum reserve requirement (including any emergency, supplemental or other marginal reserve requirement) with respect to Eurocurrency funding (currently referred to as “Eurocurrency liabilities”). The Eurodollar Rate for each outstanding Eurodollar Rate Loan and for each outstanding Base Rate Loan the interest on which is determined by reference to the Eurodollar Rate, in each case, shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

“Event of Default” has the meaning specified in Section 9.01.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guaranty of such Guarantor of, or the grant under a Loan Document by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act (or the application or official interpretation thereof) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act (determined after giving effect to Section 4.08 hereof and any and all guarantees of such Guarantor’s Swap Obligations by other Loan Parties) at the time the Guaranty of such Guarantor, or grant by such Guarantor of a security interest, becomes effective with respect to such Swap Obligation. If a Swap Obligation arises under a Master Agreement governing more than one

Swap Contract, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swap Contracts for which such Guaranty or security interest becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to any 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 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 Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 11.13) or (ii) such Lender changes its Lending Office, except in each case to the extent that pursuant to Section 3.01(a)(ii), (a)(iii) or (c), 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 Section 3.01(e) and (d) any U.S. federal withholding Taxes imposed under FATCA.

“Existing Letter of Credit” means those certain letters of credit set forth on Schedule 1.01.

“Existing Maturity Date” has the meaning set forth in Section 2.17.

“Existing PNC Credit Agreement” means that certain Amended and Restated Credit Agreement, dated as of November 16, 2018, among the Borrower, the Parent Entity, the guarantors party thereto, the lenders party thereto and PNC Bank, National Association as administrative agent, as amended and modified from time to time.

“Extended Revolving Maturity Date” has the meaning set forth in Section 2.17.

“Extension Amendments” has the meaning specified in Section 11.01.

“Facility Fee” means, for each day during the Availability Period in which the Borrower has exercised its rights under clause (b) of the definition of Applicable Rate, an amount equal to (a) the Aggregate Revolving Commitments for such day (regardless of usage), multiplied by (b) a per annum percentage for such day (as determined for a three hundred sixty (360) day year) equal to the applicable percentage set forth for Facility Fees in the table set forth in clause (b) of the definition of Applicable Rate.

“FATCA” means Sections 1471 through 1474 of the Internal Revenue 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), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities entered into in connection with the implementation of the foregoing.

“Federal Funds Rate” means, 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 on such day, as published by the Federal Reserve Bank of New York on the Business

Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to PNC Bank on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

“Fee Letters” means (a) the letter agreement, dated as of May 24, 2021 among the Borrower, PNC Bank and PNCCM, (b) the letter agreement dated as of May 24, 2021 among the Borrower, KeyBank and KeyBanc Capital Markets and (c) any other fee letter entered into between an Arranger and the Borrower in connection with this Agreement.

“FFO Percentage” means 95%.

“Fitch” means Fitch Ratings Inc., and any successor thereto.

“Fixed Charge Coverage Ratio” means, for any four fiscal quarter period, the ratio of (a) Adjusted EBITDA for such four fiscal quarter period to (b) Fixed Charges for such four fiscal quarter period.

“Fixed Charges” means, for the Consolidated Group, without duplication, the sum of (a) Interest Expense, plus (b) scheduled principal payments, exclusive of balloon payments, plus (c) dividends and distributions on preferred stock, if any, plus (d) the Consolidated Group Pro Rata Share of the above attributable to interests in Unconsolidated Affiliates, all for the most recently ended period of four fiscal quarters.

“Floor” means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to USD LIBOR or, if no floor is specified, zero.

“Foreign Lender” means (a) if the 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. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

“Fronting Exposure” means, at any time there is a Defaulting Lender, (a) with respect to a L/C Issuer, such Defaulting Lender’s Applicable Percentage of the outstanding L/C Obligations other than L/C 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 a Swing Line Lender, such Defaulting Lender’s Applicable 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 in accordance with the terms hereof.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“Funds from Operations” means, with respect to any Person for any period, an amount equal to (a) the Net Income of such Person for such period, computed in accordance with GAAP, excluding gains and losses from sales of depreciated property other than out lot sales, non-cash impairment charges, gains and losses from extinguishment of debt, amortization of above and below market lease adjustments and market debt adjustments, amortization of tenant allowances, amortization of deferred financing costs, other non-cash charges, and gains or losses to the extent non-cash from Swap Contracts, plus (b) depreciation and amortization and non-cash amortization of transaction expenses arising from the creation of new investment funds, and after adjustments for unconsolidated partnerships and joint ventures; provided, that (x) adjustments for unconsolidated partnerships and joint ventures will be recalculated to reflect funds from operations on the same basis, (y) Funds from Operations shall be reported in accordance with the NAREIT policies unless otherwise agreed to above in this definition and (z) costs and fees incurred by the Consolidated Group in connection with the acquisition or disposition of real property assets and transaction costs incurred by the Consolidated Group in connection with any capital markets offering, debt financing, or amendment thereto, redemption or exchange of indebtedness, tender offer, lease termination, business combination, acquisition, exchange listing or delisting, disposition, recapitalization or similar transaction including, without limitation, pursuant to any Permitted Reorganization (regardless of whether such transaction is completed), in each case, shall be excluded from the calculation of Funds from Operations.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, consistently applied and as in effect from time to time.

“General Partner” means Phillips Edison Grocery Center OP GP I LLC, a Delaware limited liability company, or any successor general partner of the Borrower approved by the Administrative Agent in accordance with this Agreement.

“GHG Emissions” has the meaning given that term in the definition of KPI Metric.

“GHG Protocol Corporate Reporting and Accounting Standard” means a corporate accounting and reporting standard for greenhouse gas emissions published by World Business Council for Sustainable Development and the World Resources Institute, as amended from time to time.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working

capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that any customary non-recourse carve-out guarantee shall not be deemed a Guarantee hereunder, except, if and to the extent that the guarantor thereunder has acknowledged such liability or it has been determined by a court of competent jurisdiction to be liable for a claim thereunder for which such guarantor is not otherwise indemnified by any third party which has the financial ability to perform with respect to such indemnity and is not disavowing its obligations thereunder, or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantors" means (a) the Parent Entity, (b) any Subsidiary that is required to be a Guarantor pursuant to Section 7.13, (c) with respect to (i) Obligations under any Swap Contract between any Loan Party and a Lender or Affiliate of a Lender, (ii) Obligations under any Treasury Management Agreement between any Loan Party and a Lender or Affiliate of a Lender and (iii) any Swap Obligation of a Specified Loan Party (determined before giving effect to Sections 4.01 and 4.08) under the Guaranty, the Borrower and (d) the successors and permitted assigns of the foregoing.

"Guaranty" means the Guaranty made by the Guarantors in favor of the Administrative Agent, the Lenders and the other holders of the Obligations pursuant to Article IV.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Honor Date" has the meaning set forth in Section 2.03(c).

"Impacted Loans" has the meaning specified in Section 3.03.

"Incremental Term Loan" has the meaning specified in Section 2.16(a).

"Incremental Term Loan Agreement" has the meaning specified in Section 2.16(e).

"Indebtedness" means, for the Consolidated Group, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations for borrowed money and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments.

(b) all direct or contingent obligations under letters of credit (including standby and commercial), bankers' acceptances and similar instruments (including bank guaranties, surety bonds, comfort letters, keep-well agreements and capital maintenance

agreements) to the extent such instruments or agreements support financial, rather than performance, obligations.

(c) net obligations under any Swap Contract.

(d) all obligations to pay the deferred purchase price of property or services.

(e) Capitalized Lease Obligations and Synthetic Lease Obligations.

(f) all obligations to purchase, redeem, retire, defease or otherwise make any payment in respect of any equity interest, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference, plus accrued and unpaid dividends.

(g) indebtedness (excluding prepaid interest thereon) secured by a Lien on property (including indebtedness arising under conditional sales or other title retention agreements) whether or not such indebtedness has been assumed by the grantor of the Lien or is limited in recourse.

(h) all Guarantees in respect of any of the foregoing.

For all purposes hereof, Indebtedness shall include the Consolidated Group Pro Rata Share of the foregoing items and components attributable to Indebtedness of Unconsolidated Affiliates. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Capitalized Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitees” has the meaning specified in Section 11.04(b).

“Information” has the meaning specified in Section 11.07.

“Interest Expense” means, without duplication, total interest expense of the Consolidated Group determined in accordance with GAAP; provided that (a) amortization of deferred financing costs shall be excluded, to the extent included in accordance with GAAP and (b) for the avoidance of doubt capitalized interest and interest expense attributable to the Consolidated Group Pro Rata Share in Unconsolidated Affiliates shall be included.

“Interest Payment Date” means (a) as to any Eurodollar Rate Loan, the last day of each Interest Period applicable to such Loan and the applicable Maturity Date; provided, however, that if any Interest Period for a Eurodollar Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan) or LIBOR Daily Floating Rate Loan, (i) with respect to Revolving Loans, the seventh day of each calendar month (for interest accrued through the last day of the prior calendar month) and the Revolving Maturity Date and (ii) with respect to Term Loans, the first Business Day of each calendar month and the applicable Maturity Date.

“Interest Period” means as to each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate

Loan and ending on the date one, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its Loan Notice; provided that:

- (a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;
- (b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and
- (c) no Interest Period with respect to any Loan shall extend beyond the applicable Maturity Date.

“Interim Financial Statements” means (i) the unaudited consolidated financial statements of the Parent Entity for the fiscal quarter ended March 31, 2021, including balance sheets and statements of income or operations, shareholders’ equity and cash flows and (ii) the unaudited consolidated financial statements of the Phillips Edison Grocery Center REIT II Inc. for the fiscal quarter ended March 31, 2021, including balance sheets and statements of income or operations, shareholders’ equity and cash flows.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended.

“Internal Revenue Service” means the United States Internal Revenue Service.

“Investment Grade Rating” means a senior unsecured debt rating of the Parent Entity of BBB- or better from Standard & Poor’s or Fitch, or Baa3 or better from Moody’s.

“IP Rights” has the meaning specified in Section 6.17.

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

“ISP” means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Application, and any other document, agreement and instrument entered into by a L/C Issuer and the Borrower (or any Subsidiary) or in favor of such L/C Issuer and relating to any such Letter of Credit.

“Joinder Agreement” means a joinder agreement substantially in the form of Exhibit G executed and delivered by a Subsidiary in accordance with the provisions of Section 7.13.

“KeyBank” means KeyBank National Association.

“KeyBank Agreement” means that certain Credit Agreement, dated as of October 4, 2017, (as amended, modified, or restated from time to time) among the Borrower, the Parent

Entity, any other guarantors party thereto, the lenders party thereto and KeyBank, as administrative agent.

“Key Principals” means each of Jeffrey S. Edison and Devin I. Murphy.

“KPI Baseline” as of any determination date shall mean the KPI Metric for the KPI Metric Base Year, as such amount shall be adjusted to reflect dispositions or acquisitions of Properties or assets by the Parent Entity, the Borrower or any Subsidiaries, since the KPI Metric Base Year, in accordance with GHG Protocol Corporate Reporting and Accounting Standard.

“KPI Metric” means for any fiscal year of the Parent Entity, (a) the total Direct (Scope 1) & Energy Direct (Scope 2) Greenhouse Gas Emissions (“GHG Emissions”), measured in metric tons CO₂ (carbon dioxide) equivalent (“CO₂e”), of the Parent Entity, the Borrower and the Subsidiaries during such fiscal year (determined and calculated according to the GHG Protocol Corporate Reporting and Accounting Standard using the Control Approach for defining relevant emissions sources) minus (b) qualified emissions offsets (such as renewable energy certificates (RECs)) of the Parent Entity, the Borrower and the Subsidiaries during such fiscal year (including any such offsets in which the Parent Entity, the Borrower or any Subsidiary has an interest including as a result of purchasing environmental attributes of projects other than those owned directly by the Parent Entity, the Borrower or any Subsidiary). GHG Emissions will be quantified after the end of each fiscal year based on invoice data.

“KPI Metric Base Year” means the fiscal year ended on December 31, 2020.

“KPI Metric Target” means, with respect to any fiscal year of the Parent Entity, the KPI Metric, specified in the table below for the corresponding fiscal year specified below:

Fiscal Year	KPI Metric Target
2021	99% of the KPI Baseline
2022	98% of the KPI Baseline
2023	97% of the KPI Baseline
2024	96% of the KPI Baseline
2025 and thereafter	95% of the KPI Baseline

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“L/C Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing of Revolving Loans.

“L/C Commitment” means, as to each L/C Issuer, its obligation to issue Letters of Credit pursuant to Section 2.03 in an aggregate principal amount at any one time outstanding as set

forth on Schedule 2.03 (or such other amount as agreed to among the Borrower, such L/C Issuer and the Administrative Agent); provided the aggregate L/C Commitments for all L/C Issuers cannot exceed the Letter of Credit Sublimit.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means each of PNC and KeyBank and, with respect to the Existing Letters of Credit, Bank of America, N.A., in each case in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder.

“L/C Obligations” means, as at any date of determination, the aggregate amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.13 or Rule 3.14 of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lenders” means each of the Persons identified as a “Lender” on the signature pages hereto and their successors and assigns and, as the context requires, includes the Swing Line Lenders.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means any standby letter of credit issued hereunder providing for the payment of cash upon the honoring of a presentation thereunder and shall include the Existing Letters of Credit.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a letter of credit in the form from time to time in use by a L/C Issuer.

“Letter of Credit Expiration Date” means the day that is thirty days prior to the Revolving Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(h).

“Letter of Credit Sublimit” means an amount equal to ten percent (10%) of the Aggregate Revolving Commitments. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Leverage Ratio” means, with respect to the Consolidated Group as of any date of calculation, (a) Total Indebtedness as of such date minus the amount of Balance Sheet Cash as of such date in excess of \$25,000,000 to the extent there is an equivalent amount of Total Indebtedness that matures within twenty-four (24) months from such date of calculation divided by (b) Total Asset Value as of such date minus the amount of Balance Sheet Cash deducted in subsection (a) of this definition.

“LIBOR” has the meaning specified in the definition of “Eurodollar Base Rate”.

“LIBOR Daily Floating Rate” means, for any day, a fluctuating rate of interest per annum equal to LIBOR, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by Administrative Agent from time to time), at or about 11:00 a.m., London time, two (2) London Banking Days prior to such day, for U.S. Dollar deposits with a term of one (1) month commencing that day; provided that if the LIBOR Daily Floating Rate shall be less than zero, such rate will be deemed zero for purposes of this Agreement.

“LIBOR Daily Floating Rate Loan” means a Loan that bears interest based on the LIBOR Daily Floating Rate.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including (i) any conditional sale or other title retention agreement, (ii) any easement, right of way or other encumbrance on title to real Property that materially affects the value of such real Property, and (iii) any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Revolving Loan, a Term Loan, a Swing Line Loan or an Incremental Term Loan, as applicable.

“Loan Amendment” has the meaning specified in Section 11.01.

“Loan Documents” means this Agreement, including schedules and exhibits hereto, each Note, each Issuer Document, each Joinder Agreement, any Incremental Term Loan Agreement, any agreement creating or perfecting rights in Cash Collateral pursuant to the provisions of Section 2.14 of this Agreement and the Fee Letters.

“Loan Modification Offer” has the meaning specified in Section 11.01.

“Loan Notice” means a notice of (a) a Borrowing of Revolving Loans or Term Loans, (b) a conversion of Revolving Loans or Term Loans from one Type to the other, or (c) a continuation of Eurodollar Rate Loans, in each case pursuant to Section 2.02(a), which, if in writing, shall be substantially in the form of Exhibit A or via electronic submission as agreed to by the Borrower and Administrative Agent, including, without limitation, by making a disbursement request through the Credit Management Module of PNC Bank, National Association’s PINACLE® system, in accordance with the applicable security procedures therefor.

“Loan Party” means the Borrower or any Guarantor and “Loan Parties” means, collectively, the Borrower and the Guarantors.

“London Banking Day” means any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

“Major Tenant” means a tenant of a Loan Party under a lease of Property which entitles it to occupy 15,000 square feet or more of the net rentable area of such Property.

“Master Agreement” has the meaning specified in the definition of “Swap Contract”.

“Material Acquisition” means a simultaneous acquisition of assets with a purchase price of 5% or more of Total Asset Value.

“Material Adverse Effect” means any event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have (a) a material adverse change in, or a material adverse effect on, the business, properties, liabilities or financial condition of the Consolidated Group, taken as a whole, (B) a material adverse effect on the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or of the ability of the Borrower and the Guarantors taken as a whole to perform their obligations under any Loan Document, or (C) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower or a Guarantor of any Loan Document to which it is a party.

“Maturity Date” means (a) each of the Revolving Maturity Date, the Term Loan A-1 Maturity Date and the Term Loan A-2 Maturity Date and (b) with respect to an outstanding Incremental Term Loan, the maturity date provided in the applicable Incremental Term Loan Agreement.

“Mezzanine Debt Investments” means any mezzanine or subordinated mortgage loans made (or acquired) by a member of the Consolidated Group to entities that own commercial real estate or to the members, partners or stockholders of such entities, which real estate has a value in excess of the sum of (a) (i) if such mezzanine or subordinated mortgage loans were originated by a third party and acquired by such member of the Consolidated Group, the purchase price of such indebtedness with respect to any such indebtedness or (ii) if such mezzanine or subordinated mortgage loans were originated by such member of the Consolidated Group, the amount of such indebtedness plus (b) any senior indebtedness encumbering such commercial real estate, in each case to the extent such mezzanine or subordinated mortgage loans have been designated by the Borrower as a “Mezzanine Debt Investment” in its most recent compliance certificate; provided, however, that (i) any such indebtedness owed by an Unconsolidated Affiliate shall be reduced by the Consolidated Group Pro Rata Share of such indebtedness, and (ii) any such indebtedness owed by a non-wholly owned member of the Consolidated Group shall be reduced by the Consolidated Group Pro Rata Share of such indebtedness.

“Minimum Collateral Amount” means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances provided to reduce or eliminate Fronting Exposure during the existence of a Defaulting Lender, an amount equal to 102% of the Fronting Exposure of any L/C Issuer with respect to Letters of Credit issued and outstanding at such time, (b) with respect to Cash Collateral consisting of cash or deposit account balances provided in accordance with the provisions of Section 2.14(a)(i), (a)(ii) or (a)(iii), an amount equal to 102% of the Outstanding Revolving Amount of all L/C Obligations, and (c) otherwise, an amount determined by the Administrative Agent and the applicable L/C Issuer in their sole discretion.

“Moody's” means Moody's Investors Service, Inc. and any successor thereto.

“Mortgage Receivables” means any investment securities that represent an interest in, or are secured by, one or more pools of commercial mortgage loans or synthetic mortgages.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Multiple Employer Plan” means a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

“Negative Pledge” shall mean with respect to a given asset, any provision of a document, instrument or agreement (other than any Loan Document) which prohibits or purports to prohibit the creation or assumption of any Lien on such asset as security for Indebtedness of the Person owning such asset or any other Person; provided, however, that an agreement that conditions a Person’s ability to encumber its assets upon the maintenance of one or more specified ratios that limit such Person’s ability to encumber its assets but that do not generally prohibit the encumbrance of its assets, or the encumbrance of specific assets, shall not constitute a Negative Pledge.

“Net Income” means the net income (or loss) of the Consolidated Group for the subject period; provided, however that Net Income shall exclude (a) extraordinary gains and extraordinary losses for such period, (b) the net income of any Subsidiary of the Parent Entity during such period to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of such income is not permitted by operation of the terms of its Organization Documents or any agreement, instrument or Law applicable to such Subsidiary during such period, except that the Parent Entity’s equity in any net loss of any such Subsidiary for such period shall be included in determining Net Income, (c) any income (or loss) from an Unconsolidated Affiliate of the Parent Entity in an amount equal to the aggregate amount of cash actually distributed by such Unconsolidated Affiliate during such period to the Parent Entity or a Subsidiary thereof as a dividend or other distribution (and in the case of a dividend or other distribution to a Subsidiary of the Parent Entity, such Subsidiary is not precluded from further distributing such amount to the Parent Entity as described in clause (b) of this proviso), and (d) any rental income received from leases to Major Tenants in any bankruptcy proceedings, to the extent the relevant leases have been rejected pursuant to such bankruptcy proceedings during the subject period.

“Net Operating Income” means for any Property, for any period, an amount equal to (a) the aggregate gross revenues from the operations of such Property during such period from tenants paying rent (exclusive of any rental income from any leases to Major Tenants in any bankruptcy proceedings, to the extent the relevant leases have been rejected pursuant to such bankruptcy proceedings during the subject period and exclusive of above and below market lease adjustments and amortization of tenant allowance in accordance with GAAP) minus (b) the sum of all expenses and other charges incurred in connection with the operation of such Property during such period (including accruals for real estate taxes and insurance and Property Management Fees, but excluding debt service charges, income taxes, depreciation, amortization and other non-cash expenses), which expenses and accruals shall be calculated in accordance with GAAP.

“New Lenders” has the meaning set forth in Section 2.16(c).

“Non-Consenting Lender” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 11.01 and (b) has been approved by the Required Lenders.

“Non-Defaulting Lender” means, at any time, each Lender that is not a Defaulting Lender at such time.

“Non-Recourse Debt” means Indebtedness of any member of the Consolidated Group in which the liability of the applicable obligor is limited to such obligor’s interest in specified assets securing such Indebtedness, subject to customary nonrecourse carve-outs, including, without limitation, exclusions for claims that are based on fraud, intentional misrepresentation, misapplication of funds, gross negligence or willful misconduct to the extent no claim of liability has been made pursuant to any such carve-outs.

“Non-Stabilized Property” means, for any Property, (a) a Property designated in writing by the Borrower as a Non-Stabilized Property which has not previously been designated as such and (b) the occupancy rate for such designated Property is below 80% at the time of such designation; provided, that, once designated as a Non-Stabilized Property, such Property shall cease to be a Non-Stabilized Property upon the earlier of (i) Borrower’s request or (ii) eight fiscal quarters following the designation of such Property as a Non-Stabilized Property.

“Note” or “Notes” means the Revolving Notes, the Term Notes and/or the Swing Line Note, individually or collectively, as appropriate.

“OFAC” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. The foregoing shall also include any Swap Contract and any Treasury Management Agreement between any Loan Party and any Lender or Affiliate of a Lender; provided that the “Obligations” shall exclude any Excluded Swap Obligations.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Other Benchmark Rate Election” means, if the then-current Benchmark is USD LIBOR, the occurrence of: (x) either (i) a request by the Borrower to the Administrative Agent, or (ii) notice by the Administrative Agent to the Borrower, that, at the determination of the Borrower or the Administrative Agent, as applicable, U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed), in lieu of a USD LIBOR

based rate, a term benchmark rate as a benchmark rate, and (y) the Administrative Agent, in its sole discretion, and the Borrower jointly elect to trigger a fallback from USD LIBOR and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders (for the avoidance of doubt, a joint election by the Administrative Agent and the Borrower will be required in the event there are outstanding Swap Obligations).

“Other Connection Taxes” means, 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” means 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 Section 3.06).

“Outstanding Revolving Amount” means (a) with respect to any Revolving Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of such Loans occurring on such date; and (b) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“PACE Financings” means (a) any “Property-Assessed Clean Energy” loan or financing or (b) any other indebtedness, without regard to the name given thereto, which is (i) incurred for improvements to a Property for the purpose of increasing energy efficiency, increasing use of renewable energy sources, resource conservation, or a combination of the foregoing, and (ii) repaid through multi-year assessments against such Property.

“Parent Entity” means Phillips Edison & Company, Inc. or such other entity following any reorganization permitted by Section 8.04.

“Participant” has the meaning specified in Section 11.06(d).

“Participant Register” has the meaning specified in Section 11.06(d).

“Patriot Act” has the meaning set forth in Section 11.17.

“PBGC” means the Pension Benefit Guaranty Corporation or any successor thereto.

“Pension Funding Rules” means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans set forth in Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

“Pension Plan” means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Borrower and any ERISA Affiliate or with respect to which the Borrower or any ERISA Affiliate has any liability

and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

“Permitted Liens” means the following:

- (a) Liens pursuant to any Loan Document;
- (b) Liens (other than Liens imposed under ERISA) for taxes, assessments or governmental charges or levies not yet delinquent or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;
- (c) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and suppliers and other Liens imposed by law or pursuant to customary reservations or retentions of title arising in the ordinary course of business; provided that such Liens secure only amounts not yet due and payable or, if due and payable, are unfiled and no other action has been taken to enforce the same or are being contested in good faith by appropriate proceedings for which adequate reserves determined in accordance with GAAP have been established;
- (d) pledges or deposits in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA;
- (e) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (f) easements, rights-of-way, restrictions and other similar encumbrances affecting real property which, in the aggregate, are not substantial in amount, and which do not in any case materially detract from the value of the property subject thereto for its current use or materially interfere with the use thereof by the Loan Parties;
- (g) Liens securing judgments for the payment of money (or appeal or other surety bonds relating to such judgments) not constituting an Event of Default under Section 9.01(h);
- (h) leases or subleases granted to others not interfering in any material respect with the business of any Loan Party or any of its Subsidiaries;
- (i) any interest of title of a lessor under, and Liens arising from UCC financing statements relating to, leases permitted by this Agreement;
- (j) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;
- (k) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;
- (l) Liens of sellers of goods to a Loan Party and any of its Subsidiaries arising under Article 2 of the Uniform Commercial Code or similar provisions of

applicable law in the ordinary course of business, covering only the goods sold and securing only the unpaid purchase price for such goods and related expenses;

- (m) Liens, if any, in favor of the Administrative Agent on Cash Collateral delivered pursuant to Section 2.14(a); and
- (n) Liens securing PACE Financings in an amount not to exceed (a) \$1,000,000 in any one year and (b) \$2,500,000, in the aggregate, during the term of this Agreement.

“Permitted Reorganization” means any or all of the following: (a) the corporate reorganization of the Consolidated Group and any related mergers with respect thereto (including, without limitation, any merger, purchase, contribution or assumption of assets and/or liabilities or other similar transaction with any Affiliate), (b) the internalization (in whole or in part, whether by merger, purchase, contribution or assumption of assets and/or liabilities or other similar transaction) of the existing external manager of the Parent Entity and the Borrower, (c) the initial public offering of the Parent Entity and/or the listing of the Parent Entity on a recognized US stock exchange, including, the Capital Event, and (d) the issuance of additional Equity Interests of the Borrower and/or the conversion of Equity Interests of the Borrower into Equity Interests of the Parent Entity; provided that after giving effect to any Permitted Reorganization (i) the Parent Entity shall remain a Guarantor, (ii) the Parent Entity shall continue to own, directly or indirectly, a majority of the Voting Stock and economic and beneficial interests of the Borrower, (iii) Phillips Edison Grocery Center Operating Partnership I, L.P., a Delaware limited partnership, shall remain as the Borrower, and (iv) the Borrower shall deliver to the Administrative Agent, (x) a written certificate reasonably satisfactory to the Administrative Agent showing, in reasonable detail, that the Consolidated Group will be in pro forma compliance with the financial covenants in Section 8.11 after giving effect to any Permitted Reorganization and (y) all documentation and other information required by bank regulatory authorities under applicable “know-your-customer” and anti-money laundering rules and regulations, including, without limitation, the Patriot Act.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Borrower or any such Plan to which the Borrower is required to contribute on behalf of any of its employees.

“Platform” has the meaning specified in Section 7.02.

“PNC Bank” means PNC Bank, National Association.

“PNCCM” means PNC Capital Markets LLC.

“Pricing Certificate” means a certificate substantially in the form of Exhibit J signed by a Responsible Officer of the Borrower attaching true and correct copies of the calculation of the KPI Metric for the immediately preceding fiscal year and setting forth the Sustainability Applicable Rate Adjustment Amount for the period covered thereby and computations in reasonable detail in respect thereof.

“Pricing Certificate Inaccuracy” has the meaning specified in Section 2.18(d).

“Property” means any real estate asset directly owned by any member of the Consolidated Group, any of its Subsidiaries or any Unconsolidated Affiliate.

“Property Management Fees” means, with respect to each Property for any period, 3% of the aggregate base rent and percentage rent due and payable under leases with tenants at such Property.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public Lender” has the meaning specified in Section 7.02.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning specified in Section 11.20.

“Qualified ECP Guarantor” means, at any time, each Loan Party with total assets exceeding \$10,000,000 or that qualified at such time as an “eligible contract participant” under the Commodity Exchange Act and can cause another Person to qualify as an “eligible contract participant” at such time under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Qualified Fees” means, to the extent earned on a current basis (i.e. expected to be paid or settled in 30 days but excluding any payments made with Equity Interests) and are not deferred (except as set forth in (vii) below) by (a) the Borrower, (b) a wholly-owned Subsidiary of the Borrower or (c) a majority owned Subsidiary of the Borrower in which the Borrower, directly or indirectly, has the sole discretion to distribute any Qualified Fees at such Subsidiary to the Borrower (for clarification purposes, with respect to any non-wholly owned Subsidiary, only the pro rata portion of those fees that can be distributed to the Borrower shall constitute Qualified Fees for the purposes hereunder), all amounts consisting of the following: (i) property management fees, (ii) asset management fees, (iii) leasing commissions, (iv) tenant improvement oversight fees, (v) property acquisition fees, (vi) property financing fees and (vii) deferred asset management fees; provided that if the Qualified Fees attributable to the fees incurred with respect to clauses (v), (vi) and (vii) above accounts for more than 40% of the aggregate Qualified Fees, the amount of such property acquisition fees, property financing fees and deferred asset management fees that exceed such limit shall be deducted from Qualified Fees. With respect to a transaction that constitutes the acquisition of any Person or any management contracts, for the purpose of calculating Total Asset Value and Unencumbered Asset Value for the quarter during which the acquisition occurs and each of the next three full fiscal quarter periods subsequent to such acquisition, the Qualified Fees with respect to the acquired Person or management contracts, if any, shall be determined as follows: (1) for the quarter in which such acquisition occurs, the Qualified Fees for the last full quarter period prior to such acquisition multiplied by four, (2) for the first full quarter period subsequent to such acquisition, the actual Qualified Fees for such quarter multiplied by four, (3) for the first two full quarter period subsequent to such acquisition, the actual Qualified Fees for such two quarter period multiplied by two and (4) for the first three full quarter period subsequent to such acquisition, the actual Qualified Fees for such three quarter period multiplied by 4/3.

“Recipient” means the Administrative Agent, any Lender or any L/C Issuer.

“Recourse Debt” means any Indebtedness (other than Non-Recourse Debt) of any member of the Consolidated Group for which such Person has personal liability; provided that any

customary non-recourse carve-outs with respect to such Indebtedness shall not be deemed Recourse Debt hereunder, except, if and to the extent that the obligor thereunder has acknowledged such liability or it has been determined, by a court of competent jurisdiction to be liable for a claim thereunder for which such obligor is not otherwise indemnified by any third party which has the financial ability to perform with respect to such indemnity and is not disavowing its obligations thereunder.

“Reference Time” with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBOR, 11:00 a.m. (London time) on the day that is two London Banking Days preceding the date of such setting, and (2) if such Benchmark is not USD LIBOR, the time determined by the Administrative Agent in its reasonable discretion.

“Register” has the meaning specified in Section 11.06(c).

“REIT” means a “real estate investment trust” under Sections 856-860 of the Internal Revenue Code.

“Related Parties” means, 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.

“Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty-day notice period has been waived.

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Revolving Loans or Term Loans, a Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Required Lenders” means, at any time, Lenders having Total Credit Exposures representing more than 50% of the Total Credit Exposures of all Lenders. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any participation in any Swing Line Loan and Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been reallocated to and funded by another Lender shall be deemed to be held by the Lender that is a Swing Line Lender or a L/C Issuer, as the case may be, in making such determination.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the chief executive officer, president (including co-president) vice-president, chief financial officer, treasurer, assistant treasurer or controller of a Loan Party and, solely for purposes of the delivery of certificates pursuant to Sections 5.01 or 7.13, the secretary or any assistant secretary of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of any Loan Party or any

Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to the Borrower's stockholders, partners or members (or the equivalent Person thereof), or any setting apart of funds or property for any of the foregoing.

"Revolving Borrowing" means a borrowing consisting of simultaneous Revolving Loans of the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01(a).

"Revolving Commitment" means, as to each Lender, its obligation to (a) make Revolving Loans to the Borrower pursuant to Section 2.01(a), (b) purchase participations in L/C Obligations and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable, as such amount may be adjusted from time to time in accordance with this Agreement.

"Revolving Credit Exposure" means, as to any Lender at any time, the aggregate principal amount at such time of its outstanding Revolving Loans and such Lender's participation in L/C Obligations and Swing Line Loans at such time.

"Revolving Facility" means the Revolving Commitments and the extensions of credit made thereunder.

"Revolving Loan" has the meaning specified in Section 2.01(a).

"Revolving Maturity Date" means, with respect to the Revolving Facility, January 2, 2026, as such date may be adjusted from time to time in accordance with Section 2.17; provided, however, that if such date is not a Business Day, the Revolving Maturity Date shall be the immediately preceding Business Day.

"Revolving Note" has the meaning specified in Section 2.11(a).

"S&P" means Standard & Poor's Financial Services LLC, a subsidiary of S&P Global, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means any arrangement pursuant to which any Loan Party, directly or indirectly, becomes liable as lessee, guarantor or other surety with respect to any lease, whether an operating lease or a capital lease, of any Property (a) which such Person has sold or transferred (or is to sell or transfer) to another Person which is not a Loan Party or (b) which such Person intends to use for substantially the same purpose as any other Property which has been sold or transferred (or is to be sold or transferred) by such Person to another Person which is not a Loan Party in connection with such lease.

"Sanctions" means any international economic sanction administered or enforced by the United States government (including, without limitation, OFAC) the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Indebtedness" means, for any Person, Indebtedness of such Person that is secured by a Lien; provided that (a) direct Indebtedness (as opposed to a Guarantee) that is

secured solely by a Lien on Equity Interests and (b) PACE Financings, in each case, shall not be deemed to be Secured Indebtedness for the purposes of this Agreement.

“Secured Leverage Ratio” means, with respect to the Consolidated Group as of any date of calculation, (a) Total Secured Indebtedness as of such date minus the amount of Balance Sheet Cash as of such date in excess of \$25,000,000 to the extent there is an equivalent amount of Total Secured Indebtedness that matures within twenty-four (24) months from the applicable date of calculation divided by (b) Total Asset Value as of such date minus the amount of Balance Sheet Cash deducted in subsection (a) of this definition.

“Shareholders’ Equity” means an amount equal to shareholders’ equity or net worth of the Consolidated Group, as determined in accordance with GAAP.

“SOFR” means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator’s Website on the immediately succeeding Business Day.

“SOFR Administrator” means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“Solvent” or “Solvency” means, with respect to any Person as of a particular date, that on such date (a) such Person is able to pay its debts and other liabilities, contingent obligations and other commitments as they mature in the ordinary course of business, (b) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person’s ability to pay as such debts and liabilities mature in their ordinary course, (c) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person’s property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which such Person is engaged or is to engage, (d) the fair value of the property of such Person is greater than the total amount of liabilities, including, without limitation, contingent liabilities, of such Person and (e) the present fair salable value of the assets of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Specified Loan Party” has the meaning set forth in Section 4.08.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of Voting Stock is at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Parent Entity.

“Subsidiary Guarantors” means any Subsidiary that becomes a Guarantor hereunder.

“Supported QFC” has the meaning specified in Section 11.20.

“Sustainability Agent” means PNCCM in its capacity as sustainability agent under any of the Loan Documents, or any successor sustainability agent.

“Sustainability Applicable Rate Adjustment Amount” means, with respect to any fiscal year, (a) negative one (1) basis point if the KPI Metric for such fiscal year as set forth in the Pricing Certificate is more than or equal to the KPI Metric Target for such fiscal year and (b) zero (0) basis point if the KPI Metric for such fiscal year as set forth in the Pricing Certificate is less than the KPI Metric Target for such fiscal year.

“Sustainability Pricing Adjustment Date” has the meaning specified in Section 2.18(a).

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Swap Obligation” means 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.

“Swap Termination Value” means, after taking into account the effect of any legally enforceable netting agreement relating to any Swap Contract, (a) for any date on or after the date such Swap Contract has been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contract, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any affiliate of a Lender).

“Swing Line Commitment” means, as to each Swing Line Lender, its obligation to make Swing Line Loans to the Borrower pursuant to Section 2.04 in an aggregate principal amount at any one time outstanding as set forth on Schedule 2.04 (or such other amount as agreed to among the Borrower, such Swing Line Lender and the Administrative Agent); provided the aggregate Swing Line Commitments for all Swing Line Lenders cannot exceed the Swing Line Sublimit.

“Swing Line Lender” means each of PNC Bank and KeyBank, in each case in its capacity as provider of Swing Line Loans up to its Swing Line Commitment.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Borrowing of Swing Line Loans pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

“Swing Line Note” has the meaning specified in Section 2.11(a).

“Swing Line Sublimit” means an amount equal to ten percent (10%) of the Aggregate Revolving Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Revolving Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Tangible Net Worth” means, for the Consolidated Group as of any date of determination, (a) total equity (including, without limitation, redeemable Equity Interests) determined in accordance with GAAP, minus (b) all intangible assets determined in accordance with GAAP (except for intangible assets related to the value of the acquired in-place leases), plus (c) all accumulated depreciation and amortization determined in accordance with GAAP.

“Taxes” means 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.

“Term Borrowing” means a borrowing consisting of simultaneous Term Loans of the same tranche, the same Type and, in the case of Eurodollar Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01(b), Section 2.01(c), or Section 2.16.

“Term Loan A-1” has the meaning specified in Section 2.01(b).

“Term Loan A-1 Commitment” means, as to each Lender, its obligation to make its portion of the Term Loan A-1 to the Borrower on the Closing Date pursuant to Section 2.01(b), in the principal amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Loan A-1 Commitments of all Lenders as in effect on the Closing Date is \$240,000,000.

“Term Loan A-1 Maturity Date” means, with respect to the Term Loan A-1, November 16, 2025; provided, however, that if such date is not a Business Day, the Term A-1 Maturity Date shall be the immediately preceding Business Day.

“Term Loan A-1 Note” has the meaning specified in Section 2.11(b).

“Term Loan A-2” has the meaning specified in Section 2.01(c).

“Term Loan A-2 Commitment” means, as to each Lender, its obligation to make its portion of the Term Loan A-2 to the Borrower on the Closing Date pursuant to Section 2.01(c), in the principal amount set forth opposite such Lender’s name on Schedule 2.01. The aggregate principal amount of the Term Loan A-2 Commitments of all Lenders as in effect on the Closing Date is \$240,000,000.

“Term Loan A-2 Maturity Date” means, with respect to the Term Loan A-2, July 2, 2026, as such date may be adjusted from time to time in accordance with Section 2.17; provided, however, that if such date is not a Business Day, the Term Loan A-2 Maturity Date shall be the immediately preceding Business Day.

“Term Loan A-2 Note” has the meaning specified in Section 2.11(a).

“Term Loans” means the Term Loan A-1, the Term Loan A-2, or any Incremental Term Loan, as the context may require.

“Term Notes” means the Term A-1 Note, the Term A-2 Note, and any note in connection with an Incremental Term Loan.

“Term SOFR” means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

“Term SOFR Notice” means a notification by the Administrative Agent to the Lenders and the Borrower of the occurrence of a Term SOFR Transition Event.

“Term SOFR Transition Event” means the determination by the Administrative Agent that (a) Term SOFR has been recommended for use by the Relevant Governmental Body, and is determinable for each Available Tenor, (b) the administration of Term SOFR is administratively feasible for the Administrative Agent and (c) a Benchmark Transition Event or an Early Opt-in Election, as applicable, (and, for the avoidance of doubt, not in the case of an Other Benchmark Rate Election) has previously occurred resulting in a Benchmark Replacement in accordance with Section titled “Benchmark Replacement Setting” that is not Term SOFR.

“Threshold Amount” means \$50,000,000.

“Total Asset Value” means, at any time for the Consolidated Group, without duplication, the sum of the following: (a) an amount equal to (i) Net Operating Income for the most recently ended four fiscal quarters from all Properties (other than Non-Stabilized Properties) owned by the Consolidated Group for four full fiscal quarters or longer (which amount for each individual Property as well as the aggregate amount for all Properties shall not be less than zero) divided by (ii) the Capitalization Rate, plus (b) the aggregate acquisition cost of all Properties acquired by the Consolidated Group during the then most recently ended four fiscal quarter period, plus (c) the undepreciated book value of Non-Stabilized Properties; provided that, if the Total Asset Value attributable to Non-Stabilized Properties accounts for more than 15% of Total Asset Value, the amount of undepreciated book value of such Non-Stabilized Properties that exceeds such limit shall be deducted from Total Asset Value, plus (d) the product of (i) Qualified Fees for the most recently ended four fiscal quarter period multiplied by (ii) six (6); provided that (A) this clause (d) shall not apply following the consummation of the Capital Event except with respect to unconsolidated joint ventures and other third-party fee income and (B) if the Total Asset Value attributable to Qualified Fees calculated pursuant to this clause (d) accounts for more than 10% of Total Asset Value, the amount of Qualified Fees calculated pursuant to this clause (d) that exceeds such limit shall be deducted from Total Asset Value, plus (e) cash from like-kind exchanges on deposit with a qualified intermediary (“1031 proceeds”), plus (f) the value of Mezzanine Debt Investments and the value of Mortgage Receivables owned by the Consolidated Group, in each case that are not more than ninety (90) days past due determined in accordance with GAAP and are not with an obligor subject to a bankruptcy or insolvency proceeding; provided that if the Total Asset Value attributable to Mezzanine Debt Investments and Mortgage Receivables accounts for more than 10% of Total Asset Value, the amount of Mezzanine Debt

Investments and Mortgage Receivables that exceeds such limit shall be deducted from Total Asset Value, plus (g) the aggregate undepreciated book value of all Unimproved Land and Construction in Progress owned by the Consolidated Group, plus (h) the Consolidated Group Pro Rata Share of the foregoing items and components attributable to interests in Unconsolidated Affiliates, plus (i) Total Cash; provided that, to the extent that Total Asset Value attributable to investments in Mezzanine Debt Investments, Mortgage Receivables, 1031 proceeds, Unimproved Land, Unconsolidated Affiliates, and Construction in Progress accounts for more than 25% of Total Asset Value, in the aggregate, the amount that exceeds such limit shall be deducted from Total Asset Value.

“Total Cash” means all cash and Cash Equivalents of the Consolidated Group, including, cash and Cash Equivalents held as collateral, in escrow in a bank account by a lender, creditor or contract counterparty and from like-kind exchanges (including cash from like-kind exchanges on deposit with a qualified intermediary).

“Total Credit Exposure” means, as to any Lender at any time, the sum of the unused Revolving Commitment of such Lender, the Revolving Credit Exposure of such Lender and the outstanding unpaid principal amount of Term Loans and unused Term Loan Commitment of such Lender at such time.

“Total Indebtedness” means (a) all Indebtedness of the Consolidated Group determined on a consolidated basis plus (b) the Consolidated Group Pro Rata Share of Indebtedness attributable to interests in Unconsolidated Affiliates.

“Total Revolving Outstandings” means the aggregate Outstanding Revolving Amount of all Revolving Loans, all Swing Line Loans and all L/C Obligations.

“Total Secured Indebtedness” means (a) all Secured Indebtedness of the Consolidated Group determined on a consolidated basis plus (b) the Consolidated Group Pro Rata Share of Secured Indebtedness attributable to interests in Unconsolidated Affiliates.

“Treasury Management Agreement” means any agreement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“Type” means, with respect to any Loan, its character as a Base Rate Loan, a Eurodollar Rate Loan or a LIBOR Daily Floating Rate Loan.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unconsolidated Affiliates” means an Affiliate of the Parent Entity or any other member of the Consolidated Group whose financial statements are not required to be consolidated with the financial statements of the Parent Entity in accordance with GAAP.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Undrawn Amount” means, for each day during the term hereof, an amount equal to (a) the Aggregate Revolving Commitments existing as of the end of such day, less (b) the aggregate Outstanding Revolving Amount of Revolving Loans and L/C Obligations (but specifically excluding Swing Line Loans (other than to the extent the risk participation in a Swing Line Loan has been funded in cash by a Lender)) as of the end of such day.

“Unencumbered Asset Value” means, at any time for the Consolidated Group, without duplication, the sum of the following: (a) an amount equal to (i) Unencumbered NOI from all Unencumbered Properties (other than Non-Stabilized Properties and acquisition properties described in clause (b) below) that have been owned by the Consolidated Group for four full fiscal quarter periods or longer (which amount for each individual Unencumbered Property as well as the aggregate amount for all Unencumbered Properties shall not be less than zero) divided by (ii) the Capitalization Rate, plus (b) the aggregate acquisition cost of all Unencumbered Properties acquired during the then most recently ended four fiscal quarter period, plus (c) the undepreciated book value of Unencumbered Properties that are Non-Stabilized Properties; provided that if the Unencumbered Asset Value attributable to Non-Stabilized Properties accounts for more than 15% of Unencumbered Asset Value, the amount of undepreciated book value of such Non-Stabilized Properties that exceeds such limit shall be deducted from Unencumbered Asset Value, plus (d) cash from like-kind exchanges on deposit with a qualified intermediary (“1031 proceeds”), plus (e) the value of Mezzanine Debt Investments and Mortgage Receivables owned by the Consolidated Group that are not more than ninety (90) days past due determined in accordance with GAAP, in each case that are not subject to a Lien or Negative Pledge; provided that if the Unencumbered Asset Value attributable to Mezzanine Debt Investments and Mortgage Receivables accounts for more than 10% of Unencumbered Asset Value, the amount of Mezzanine Debt Investments and Mortgage Receivables that exceeds such limit shall be deducted from Unencumbered Asset Value, plus (f) the undepreciated book value of all Unimproved Land and Construction in Progress owned by the Consolidated Group to the extent any such assets are not subject to a Lien or Negative Pledge, plus (g) Balance Sheet Cash; provided that, to the extent that Unencumbered Asset Value attributable to investments in Mezzanine Debt Investments, Mortgage Receivables, 1031 proceeds, Unimproved Land, and Construction in Progress account for more than 25% of Unencumbered Asset Value, in the aggregate, the amount that exceeds such limit shall be deducted from Unencumbered Asset Value. For clarification purposes, in determining whether clause (a) or clause (b) above applies, the date a Property will be deemed to have been acquired is the date it was acquired by the Consolidated Group or any prior Affiliate of the Consolidated Group.

“Unencumbered NOI” means (a) for Unencumbered Properties that have been owned for four full fiscal quarters or longer, the Net Operating Income from such Unencumbered Property asset for the four fiscal quarter period minus the Annual Capital Expenditure Adjustment with respect to such Unencumbered Property, (b) for Unencumbered Properties that have been owned for at least one full fiscal quarter but less than four full fiscal quarters, the Net Operating Income from such Unencumbered Property for the most recently ended fiscal quarter, multiplied by four minus the Annual Capital Expenditure Adjustment with respect to such Unencumbered Property, (c) for Unencumbered Properties that have not been owned for at least one full fiscal quarter, but owned for at least one month, the Net Operating Income from such Unencumbered Property for

the most recently ended calendar month, multiplied by twelve minus the Annual Capital Expenditure Adjustment with respect to such Unencumbered Property and (d) for Unencumbered Properties that have been owned for less than one month, the average daily Net Operating Income from such Unencumbered Property for the period of ownership of such Unencumbered Property, multiplied by 30, multiplied by 12 minus the Annual Capital Expenditure Adjustment with respect to such Unencumbered Property; provided that (x) the Net Operating Income of a Property that is sold by a member of the Consolidated Group within the most recently ended fiscal quarter will be excluded in calculating Unencumbered NOI, (y) income from Major Tenants in bankruptcy will be excluded from the calculation to the extent the relevant leases have been rejected pursuant to such bankruptcy proceedings and (z) if the Net Operating Income related to ground leases in connection with Unencumbered Properties accounts for more than 5% of the aggregate Unencumbered NOI, the amount of Net Operating Income that exceeds such limit shall be deducted from the aggregate Unencumbered NOI.

“Unencumbered Properties” means a Property that: (a) is one hundred percent (100%) fee owned by a member of the Consolidated Group or subject to a ground lease approved by the Administrative Agent (such approval not to be unreasonably withheld or delayed); provided, that if such property is subject to a ground lease and the Unencumbered NOI related to such ground lease does not exceed twenty percent (20%) of the aggregate Net Operating Income of such property, such ground lease shall be deemed approved by the Administrative Agent; (b) is located in the United States; (c) is not subject to any Liens other than Permitted Liens or any Negative Pledges and the owner thereof has (i) not granted a Negative Pledge to any other creditor that would affect the Lenders’ ability to take a Lien on such property and (ii) not agreed to guarantee or otherwise become liable for any Indebtedness of another party; (d) if such Property is a single tenant Property, it is one hundred percent (100%) occupied, (e) is a shopping center retail property or such other type of property consented to by the Lenders; (f) is not subject to any material environmental, title or structural problems; (g) is not subject to any leases that are in payment or bankruptcy default, after giving effect to any notice or cure periods set forth therein; provided that, in the case of multi-tenant Properties, the qualification in this clause (g) shall be limited to leases of anchor tenants in payment or bankruptcy default; (h) is insured in accordance with the requirements under the Loan Documents and (i) is not owned by a Subsidiary that, if such Subsidiary was subject to Section 9.01(f) or (g), would cause an Event of Default under either such Section.

“Unimproved Land” means Properties which have not been developed for any type of commercial, industrial, residential or other income-generating use and are not, as of such date, under development.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“Unsecured Indebtedness” means all Indebtedness which is not secured by a Lien; provided that (a) direct Indebtedness (as opposed to a Guarantee) that is secured solely by a Lien on Equity Interests and (b) PACE Financings, in each case, shall be deemed Unsecured Indebtedness for the purposes of this Agreement.

“Unused Fee” means, for each day during any Availability Period in which the Borrower has not exercised its rights under clause (b) of the definition of Applicable Rate, an amount equal

to (a) the Undrawn Amount for such day, multiplied by (b) a per annum percentage for such day (as determined for a three hundred sixty (360) day year) equal to (i) for any day where the Undrawn Amount is equal to or greater than 50% of the Aggregate Revolving Commitments, 0.25% and (ii) for any day where the Undrawn Amount is less than 50% of the Aggregate Revolving Commitments, 0.15%.

“USD LIBOR” means the London interbank offered rate for U.S. dollars.

“U.S. Person” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Internal Revenue Code.

“U.S. Special Resolution Regimes” has the meaning specified in Section 11.20.

“U.S. Tax Compliance Certificate” has the meaning specified in Section 3.01(e)(ii)(B)(III).

“Voting Stock” means, with respect to any Person, Equity Interests issued by such Person the holders of which are ordinarily, in the absence of contingencies, entitled to vote for the election of directors (or persons performing similar functions) of such Person, even though the right so to vote has been suspended by the happening of such a contingency.

“Wells Agreement” means that certain Credit Agreement, dated as of March 30, 2017, (as amended, modified, or restated from time to time) among the Borrower, the Parent Entity, any other guarantors party thereto, the lenders party thereto and Wells Fargo Bank, National Association, as administrative agent.

“Write-Down and Conversion Powers” means, (a) 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, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 Other Interpretive Provisions.

With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including the Loan Documents and any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, modified, extended, restated, replaced or supplemented

from time to time (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "hereto", "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements, Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory rules, regulations, orders and provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified, extended, restated, replaced or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all real and personal property and tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including;" the words "to" and "until" each mean "to but excluding;" and the word "through" means "to and including."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to

herein shall be made, (i) without giving effect to any election under Accounting Standards Codification 825 (or any other Financial Accounting Standard or Accounting Standards Codification having a similar result or effect) to value any Indebtedness or other liabilities of the Consolidated Group or any Unconsolidated Affiliate at “fair value,” as defined therein and (ii) any change to lease accounting rules from those in effect pursuant to FASB ASC 840 and other related lease accounting guidance as in effect on the Closing Date.

(b) Changes in GAAP. If at any time any change in GAAP (including the adoption of IFRS) would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the 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, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Consolidated Group or to the determination of any amount for the Consolidated Group on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Parent Entity is required to consolidate pursuant to FASB ASC 810 as if such variable interest entity were a Subsidiary as defined herein.

1.04 Rounding.

Any financial ratios required to be maintained pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.05 Times of Day; Rates

(a) Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

(b) Rates. The Administrative Agent does not warrant, nor accept responsibility, nor shall the Administrative Agent have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of “Eurodollar Base Rate” or with respect to any comparable or successor rate thereto.

1.06. Letter of Credit Amounts.

Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; provided,

however, that with respect to any Letter of Credit that, by its terms or the terms of any Issuer Document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

1.07. LIBOR Notification.

Section 3.03 of this Agreement provides a mechanism for determining an alternative rate of interest in the event that the London interbank offered rate is no longer available or in certain other circumstances. The Administrative Agent does not warrant or accept any responsibility for and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of "LIBOR Rate" or with respect to any alternative or successor rate thereto, or replacement rate therefor.

ARTICLE II

THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Commitments.

(a) Revolving Loans. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Revolving Loan") to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of such Lender's Revolving Commitment; provided, however, that after giving effect to any Borrowing of Revolving Loans, (a) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments and (b) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment. Within the limits of each Lender's Revolving Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01(a), prepay under Section 2.05, and reborrow under this Section 2.01(a). Revolving Loans may be Base Rate Loans, Eurodollar Rate Loans or LIBOR Daily Floating Rate Loans, or a combination thereof, as further provided herein, provided, however, all Revolving Borrowings made on the Closing Date shall be made as LIBOR Daily Floating Rate Loans. In order to effect the Revolving Commitments set forth on Schedule 2.01 attached hereto, assignments of Revolving Commitments shall be deemed to be made among the applicable Lenders in such amounts as may be necessary, and with the same force and effect as if such assignments of Revolving Commitments were evidenced by the applicable Assignment and Assumptions (but without the payment of any related assignment fee), and no other documents or instruments shall be required to be executed in connection with such assignments (all of which such requirements are hereby waived).

(b) Term Loan A-1. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan A-1") to the Borrower in Dollars, on the Closing Date in an amount equal to such Lender's Term Loan A-1 Commitment; it being understood that the Term Loan A-1 must be drawn in one Borrowing. Amounts borrowed under this Section 2.01(b) and repaid or prepaid may not be reborrowed. The Term Loan A-1 shall be made on the Closing Date as

either (i) a LIBOR Daily Floating Rate Loan, (ii) a Eurodollar Rate Loan or (iii) a Base Rate Loan as selected by the Borrower and agreed to by the Administrative Agent.

(c) Term Loan A-2. Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of a term loan (the "Term Loan A-2") to the Borrower in Dollars, on the Closing Date in an amount equal to such Lender's Term Loan A-2 Commitment; it being understood that the Term Loan A-2 must be drawn in one Borrowing. Amounts borrowed under this Section 2.01(c) and repaid or prepaid may not be reborrowed. The Term Loan A-2 shall be made on the Closing Date as either (i) a LIBOR Daily Floating Rate Loan, (ii) a Eurodollar Rate Loan or (iii) a Base Rate Loan as selected by the Borrower and agreed to by the Administrative Agent.

2.02 Borrowings, Conversions and Continuations of Loans.

(a) Each Borrowing, each conversion of Loans from one Type to the other, and each continuation of Eurodollar Rate Loans shall be made upon the Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of, Eurodollar Rate Loans or of any conversion of Eurodollar Rate Loans to Base Rate Loans, and (ii) on the requested date of any Borrowing of Base Rate Loans or LIBOR Daily Floating Rate Loans. Each telephonic notice by the Borrower pursuant to this Section 2.02(a) must be confirmed promptly by delivery to the Administrative Agent of a written Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower or confirmed via electronic submission as agreed to by the Borrower and Administrative Agent, including, without limitation, by making a disbursement request through the Credit Management Module of PNC Bank, National Association's PINACLE® system, in accordance with the applicable security procedures therefor. Each Borrowing of, conversion to or continuation of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$100,000 in excess thereof. Each Borrowing of, conversion to or continuation of LIBOR Daily Floating Rate Loans shall be in a principal amount of \$2,000,000 or a whole multiple of \$100,000 in excess thereof. Except as provided in Sections 2.03(c) and 2.04(c), each Borrowing of or conversion to Base Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$500,000 in excess thereof. Each Loan Notice (whether telephonic or written) shall specify (i) whether the Borrower is requesting a Borrowing, a conversion of Loans from one Type to the other, or a continuation of Loans, as the case may be, (ii) whether such Borrowing is a Term Borrowing (and which tranche of Term Loans) or a Revolving Borrowing, (iii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iv) the principal amount of Loans to be borrowed, converted or continued, (v) the Type of Loans to be borrowed or to which existing Loans are to be converted, (vi) if applicable, the duration of the Interest Period with respect thereto, and (vii) if requesting a Borrowing, a certification that such Borrowing complies with Section 2.01. If the Borrower fails to specify a Type of a Loan in a Loan Notice or if the Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Loans shall be made as, or converted to, Base Rate Loans. Any such

automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable Eurodollar Rate Loans. If the Borrower requests a Borrowing of, conversion to, or continuation of Eurodollar Rate Loans in any Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month.

(b) Following receipt of a Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Loans, and if no timely notice of a conversion or continuation is provided by the Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans as described in the preceding subsection. In the case of a Borrowing, each Lender shall make the amount of its Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Loan Notice. Upon satisfaction or waiver of the applicable conditions set forth in Section 5.02 (and, if such Borrowing is the initial Credit Extension, Section 5.01), the Administrative Agent shall make all funds so received available to the Borrower in like funds as received by the Administrative Agent either by (i) crediting the account of the Borrower on the books of PNC Bank with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and acceptable to) the Administrative Agent by the Borrower; provided, however, that if, on the date of a Borrowing of Revolving Loans, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings and second, shall be made available to the Borrower as provided above.

(c) Except as otherwise provided herein, a Eurodollar Rate Loan may be continued or converted only on the last day of the Interest Period for such Eurodollar Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as Eurodollar Rate Loans without the consent of the Required Lenders, and the Required Lenders may demand that any or all of the then outstanding Eurodollar Rate Loans be converted immediately to Base Rate Loans.

(d) The Administrative Agent shall promptly notify the Borrower and the Lenders of the interest rate applicable to any Interest Period for Eurodollar Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in PNC Bank's prime rate used in determining the Base Rate promptly following the public announcement of such change. At any time that LIBOR Daily Floating Rate Loans are outstanding, the Administrative Agent shall notify the Borrower and the Lenders of any change in such rate promptly following any change in such published rate.

(e) After giving effect to all Borrowings, all conversions of Loans from one Type to the other, and all continuations of Loans as the same Type, there shall not be more than eight (8) Interest Periods in effect with respect to all Loans.

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) each L/C Issuer agrees, in reliance upon the agreements of the Lenders set forth in this Section 2.03, (1) from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit denominated in Dollars for the account of the Borrower or any of its Subsidiaries, and to amend or extend Letters of Credit previously issued by it, in accordance with subsection (b) below, and (2) to honor drawings under the Letters of Credit; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrower or its Subsidiaries and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (w) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (x) the Revolving Credit Exposure of any Lender shall not exceed such Lender's Revolving Commitment, (y) the Outstanding Revolving Amount of the L/C Obligations of any L/C Issuer shall not exceed such L/C Issuer's L/C Commitment and (z) the Outstanding Revolver Amount of all L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrower that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrower's ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrower may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. All Existing Letters of Credit shall be deemed to have been issued pursuant hereto, and from and after the Closing Date shall be subject to and governed by the terms and conditions hereof.

(ii) A L/C Issuer shall not issue any Letter of Credit if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) subject to clause (vii) below, the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date.

(iii) L/C Issuer shall not be under any obligation to issue any Letter of Credit if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain a L/C Issuer from issuing such Letter of Credit, or any Law applicable to a L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over a L/C Issuer shall prohibit, or request that a L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in

particular or shall impose upon a L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which a L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon a L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which a L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of a L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and a L/C Issuer, such Letter of Credit is in an initial stated amount less than \$50,000;

(D) such Letter of Credit is to be denominated in a currency other than Dollars; or

(E) any Lender is at that time a Defaulting Lender, unless a L/C Issuer has entered into arrangements, including the delivery of Cash Collateral, reasonably satisfactory to a L/C Issuer (in its sole discretion) with the Borrower or such Lender to eliminate a L/C Issuer's actual or potential Fronting Exposure (after giving effect to Section 2.15(a)(iv)) 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 L/C Obligations as to which a L/C Issuer has actual or potential Fronting Exposure, as it may elect in its sole discretion.

(iv) L/C Issuer shall not amend any Letter of Credit if such L/C Issuer would not be permitted at such time to issue the Letter of Credit in its amended form under the terms hereof.

(v) A L/C Issuer shall be under no obligation to amend any Letter of Credit if (A) such L/C Issuer would have no obligation at such time to issue such Letter of Credit in its amended form under the terms hereof, or (B) the beneficiary of such Letter of Credit does not accept the proposed amendment to such Letter of Credit.

(vi) A L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and such L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article X with respect to any acts taken or omissions suffered by such L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and Issuer Documents pertaining to such Letters of Credit as fully as if the term "Administrative Agent" as used in Article X included such L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to such L/C Issuer.

(vii) Notwithstanding the foregoing, a L/C Issuer, will, if requested by the Borrower, issue one or more Letters of Credit hereunder, with expiry dates no later than twelve months after the Letter of Credit Expiration Date, based upon the Borrower's agreement to provide Cash Collateral (in the full amount of such Letters of Credit and all obligations related thereto) to such L/C Issuer (or, if agreed upon, the Administrative Agent) relating to such Letters of Credit on or before the Letter of

Credit Expiration Date in accordance with the terms of Section 2.14 and subject to documentation satisfactory to such L/C Issuer or the Administrative Agent, as applicable (and, upon receipt of such Cash Collateral by a L/C Issuer or the Administrative Agent, as applicable, the Lenders' participation interests in such Letters of Credit shall terminate on the Revolving Maturity Date). In the event the Borrower fails to Cash Collateralize the outstanding Letter of Credit exposure on the Letter of Credit Expiration Date, each outstanding Letter of Credit shall automatically be deemed to be drawn in full, and the Borrower shall be deemed to have requested a Base Rate Loan to be funded by the Lenders on the Letter of Credit Expiration Date to reimburse such drawing (with the proceeds of such Base Rate Loan being used to Cash Collateralize outstanding Letter of Credit exposure as set forth in Section 2.14) in accordance with the provisions of Section 2.03(c). The funding by a Lender of its Applicable Percentage of such Base Rate Loan, to Cash Collateralize the outstanding Letter of Credit exposure on the Letter of Credit Expiration Date shall be deemed payment by such Lender in respect of its participation interest in such Letters of Credit.

(b) Procedures for Issuance and Amendment of Letters of Credit; Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Borrower delivered to a L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Borrower. Such Letter of Credit Application may be sent by facsimile, by United States mail, by overnight courier, by electronic transmission using the system provided by a L/C Issuer, by personal delivery or by any other means acceptable to a L/C Issuer. Such Letter of Credit Application must be received by a L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least five (5) Business Days (or such later date and time as the Administrative Agent and a L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to a L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the amount thereof; (C) the expiry date thereof; (D) the name and address of the beneficiary thereof; (E) the documents to be presented by such beneficiary in case of any drawing thereunder; (F) the full text of any certificate to be presented by such beneficiary in case of any drawing thereunder; (G) the purpose and nature of the requested Letter of Credit; and (H) such other matters as a L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail reasonably satisfactory to a L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as a L/C Issuer may require. Additionally, the Borrower shall furnish to a L/C Issuer and the Administrative Agent such other documents and information pertaining to such requested Letter of Credit issuance or amendment, including any Issuer Documents, as a L/C Issuer or the Administrative Agent may require.

(ii) Promptly after receipt of any Letter of Credit Application, a L/C Issuer will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has received a copy of such Letter of Credit Application from the Borrower and, if not, a L/C Issuer will provide the Administrative Agent with a copy thereof. Unless a L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article V shall not be satisfied, then, subject to the terms and conditions hereof, a L/C Issuer shall, on the requested date, issue a Letter of Credit for the account of the Borrower or the applicable Subsidiary or enter into the applicable amendment, as the case may be, in each case in accordance with a L/C Issuer's usual and customary business practices. Immediately upon the issuance of each Letter of Credit, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from a L/C Issuer a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit.

(iii) If the Borrower so requests in any applicable Letter of Credit Application, a L/C Issuer may, in its sole discretion, agree to issue a Letter of Credit that has automatic extension provisions (each, an "Auto-Extension Letter of Credit"); provided that any such Auto-Extension Letter of Credit must permit a L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Letter of Credit is issued. Unless otherwise directed by a L/C Issuer, the Borrower shall not be required to make a specific request to a L/C Issuer for any such extension. Once an Auto-Extension Letter of Credit has been issued, the Lenders shall be deemed to have authorized (but may not require) a L/C Issuer to permit the extension of such Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that a L/C Issuer shall not permit any such extension if (A) a L/C Issuer has determined that it would not be permitted, or would have no obligation, at such time to issue such Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) it has received notice (which may be by telephone or in writing) on or before the day that is seven Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 5.02 is not then satisfied, and in each case directing a L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, a L/C Issuer will also deliver to the Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of drawing under such Letter of Credit, a L/C Issuer shall notify the Borrower and the Administrative Agent thereof. Not later than 11:00 a.m. on the date of any payment by a L/C Issuer under a Letter of Credit (each such date, an “Honor Date”), the Borrower shall reimburse such L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrower fails to so reimburse such L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender with a Revolving Commitment of the Honor Date, the amount of the unreimbursed drawing (the “Unreimbursed Amount”), and the amount of such Lender’s Applicable Percentage thereof. In such event, the Borrower shall be deemed to have requested a Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. Any notice given by a L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender with a Revolving Commitment shall upon any notice pursuant to Section 2.03(c)(i) make funds available (and the Administrative Agent may apply Cash Collateral provided for this purpose) to the Administrative Agent for the account of a L/C Issuer at the Administrative Agent’s Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Borrowing of Base Rate Loans because the conditions set forth in Section 5.02 cannot be satisfied or for any other reason, the Borrower shall be deemed to have incurred from the applicable L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender’s payment to the Administrative Agent for the account of such L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender with a Revolving Commitment funds its Revolving Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse a L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender’s Applicable Percentage of such amount shall be solely for the account of such L/C Issuer.

(v) Each Lender with a Revolving Commitment's obligation to make Revolving Loans or L/C Advances to reimburse a L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against such L/C Issuer, the 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 Section 2.03(c) is subject to the conditions set forth in Section 5.02 (other than delivery by the Borrower of a Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrower to reimburse a L/C Issuer for the amount of any payment made by such L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender with a Revolving Commitment fails to make available to the Administrative Agent for the account of a L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), then, without limiting the other provisions of this Agreement, such L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative 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 such L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such L/C Issuer in accordance with banking industry rules on interbank compensation. A certificate of a L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after a L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of such L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrower or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of a L/C Issuer pursuant to Section 2.03(c) (i) is required to be returned under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by a L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of such L/C Issuer its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned by such Lender, at a rate per annum equal to the Federal

Funds Rate from time to time in effect. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Obligations Absolute. The obligation of the Borrower to reimburse a L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be absolute, unconditional and irrevocable, and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including the following:

- (i) any lack of validity or enforceability of such Letter of Credit, this Agreement or any other Loan Document;
- (ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrower or any Subsidiary 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), a L/C 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) waiver by a L/C Issuer of any requirement that exists for a L/C Issuer's protection and not the protection of the Borrower or any waiver by a L/C Issuer which does not in fact materially prejudice the Borrower;
- (v) honor of a demand for payment presented electronically even if such Letter of Credit requires that demand be in the form of a draft;
- (vi) any payment made by a L/C Issuer in respect of an otherwise complying item presented after the date specified as the expiration date of, or the date by which documents must be received under such Letter of Credit if presentation after such date is authorized by the ISP;
- (vii) any payment by a L/C 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 any payment made by a L/C Issuer under such Letter of Credit to any Person purporting to be a trustee in bankruptcy, debtor-in-possession, assignee for the benefit of creditors, liquidator, receiver or other representative of or successor to any beneficiary or any transferee of such Letter of Credit, including any arising in connection with any proceeding under any Debtor Relief Law; or
- (viii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise constitute a defense available to, or a discharge of, the Borrower or any Subsidiary.

The 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 the Borrower's instructions or other irregularity, the Borrower will immediately notify the

applicable L/C Issuer. The Borrower shall be conclusively deemed to have waived any such claim against a L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) **Role of L/C Issuer.** Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, a L/C Issuer shall not have any responsibility to obtain any document (other than any sight draft, certificates and documents expressly required by such Letter of Credit) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of the Person executing or delivering any such document. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of a L/C Issuer shall be liable to any Lender for (i) any action taken or omitted in connection herewith at the request or with the approval of the Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; or (iii) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrower hereby assumes all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrower's pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuers, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of a L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (viii) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrower may have a claim against a L/C Issuer, and a L/C Issuer may be liable to the Borrower, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrower which the Borrower proves were caused by a L/C Issuer's willful misconduct or gross negligence or a L/C Issuer's willful failure to pay under any Letter of Credit after the presentation to it by the beneficiary of a sight draft and certificate(s) strictly complying with the terms and conditions of a Letter of Credit unless a L/C Issuer is prevented or prohibited from so paying as a result of any order or directive of any court or other Governmental Authority. In furtherance and not in limitation of the foregoing, a L/C Issuer may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary, and a L/C Issuer shall not be responsible for the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign a Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason. A L/C Issuer may send a Letter of Credit or conduct any communication to or from the beneficiary via the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") message or overnight courier, or any other commercially reasonable means of communicating with a beneficiary.

(g) Applicability of ISP; Limitation of Liability. Unless otherwise expressly agreed by a L/C Issuer and the Borrower when a Letter of Credit is issued (including any such agreement applicable to an Existing Letter of Credit), the rules of the ISP shall apply to each standby Letter of Credit. Notwithstanding the foregoing, a L/C Issuer shall not be

responsible to the Borrower for, and a L/C Issuer's rights and remedies against the Borrower shall not be impaired by, any action or inaction of a L/C Issuer required or permitted under any law, order, or practice that is required or permitted to be applied to any Letter of Credit or this Agreement, including the Law or any order of a jurisdiction where a L/C Issuer or the beneficiary is located, the practice stated in the ISP, or in the decisions, opinions, practice statements, or official commentary of the ICC Banking Commission, the Bankers Association for Finance and Trade - International Financial Services Association (BAFT-IFSA), or the Institute of International Banking Law & Practice, whether or not any Letter of Credit chooses such law or practice.

(h) Letter of Credit Fees. The Borrower shall pay to the Administrative Agent for the account of each Lender in accordance, subject to Section 2.15, with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily maximum amount available to be drawn under such Letter of Credit. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) computed on a quarterly basis in arrears and (ii) due and payable on the first Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, upon the request of the Required Lenders while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate.

(i) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrower shall pay directly to each L/C Issuer for its own account a fronting fee with respect to each Letter of Credit issued by such L/C Issuer, at the rate per annum specified in any fee letter or as otherwise mutually agreed, computed on the actual daily maximum amount available to be drawn under such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit) and on a quarterly basis in arrears. Such fronting fee shall be due and payable on the tenth Business Day after the end of each March, June, September and December in respect of the most recently-ended quarterly period (or portion thereof, in the case of the first payment), commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrower shall pay directly to a L/C Issuer for its own account the customary issuance, presentation, amendment and other processing fees, and other standard costs and charges, of such L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(j) Conflict with Issuer Documents. In the event of any conflict between the terms hereof and the terms of any Issuer Document, the terms hereof shall control.

(k) Letters of Credit Issued for Members of the Consolidated Group. Notwithstanding that a Letter of Credit issued or outstanding hereunder is in support of any obligations of, or is for the account of, any member of the Consolidated Group, the Borrower shall be obligated to reimburse a L/C Issuer hereunder for any and all drawings under such Letter of Credit. The Borrower hereby acknowledges that the issuance of Letters of Credit for the account of any member of the Consolidated Group inures to the benefit of the Borrower, and that the Borrower's business derives substantial benefits from the businesses of such member of the Consolidated Group.

(l) L/C Issuer Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each L/C Issuer shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent a Letter of Credit report, as set forth below:

(i) reasonably prior to the time that such L/C Issuer issues, amends, renews, increases or extends a Letter of Credit, the date of such issuance, amendment, renewal, increase or extension and the stated amount of the applicable Letters of Credit after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed);

(ii) on each Business Day on which such L/C Issuer makes a payment pursuant to a Letter of Credit, the date and amount of such payment;

(iii) on any Business Day on which the Borrower fails to reimburse a payment made pursuant to a Letter of Credit required to be reimbursed to such L/C Issuer on such day, the date of such failure and the amount of such payment;

(iv) on any Business Day that such L/C Issuer agrees to increase its L/C Commitment and the amount of such increase;

(v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such L/C Issuer; and

(vi) for so long as any Letter of Credit issued by a L/C Issuer is outstanding, such L/C Issuer shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month, (B) at all other times a Letter of Credit report is required to be delivered pursuant to this Agreement, and (C) on each date that (1) an L/C Credit Extension occurs or (2) there is any expiration, cancellation and/or disbursement, in each case, with respect to any such Letter of Credit, a Letter of Credit report appropriately completed with the information for every outstanding Letter of Credit issued by such L/C Issuer.

2.04 Swing Line Loans.

(a) Swing Line Facility. Subject to the terms and conditions set forth herein, each Swing Line Lender, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, shall unless (i) any Lender at such time is a Defaulting Lender and (ii) a Swing Line Lender has not entered into arrangements satisfactory to it with the Borrower or such Defaulting Lender to eliminate such Swing Line Lender's actual or potential

Fronting Exposure (after giving effect to Section 2.15(a)(iv)) with respect to such Defaulting Lender (in which case a Swing Line Lender may in its discretion) make loans (each such loan, a “Swing Line Loan”) to the Borrower in Dollars from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of its Swing Line Commitment; provided, however, that (x) after giving effect to any Swing Line Loan, (A) the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments, (B) the Revolving Credit Exposure of any Lender shall not exceed such Lender’s Revolving Commitment, (C) the outstanding principal amount of Swing Line Loans of any Swing Line Lender shall not exceed such Swing Line Lender’s Swing Line Commitment and (D) the outstanding principal amount of all Swing Line Loans shall not exceed the Swing Line Sublimit, (y) the Borrower shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan and (z) each Swing Line Lender shall not be under any obligation to make any Swing Line Loan if it shall determine (which determination shall be conclusive and binding absent manifest error) that it has, or by such Credit Extension may have, Fronting Exposure. Within the foregoing limits and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall be a Base Rate Loan. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the applicable Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender’s Applicable Percentage times the amount of such Swing Line Loan.

(b) Borrowing Procedures. Each Borrowing of Swing Line Loans shall be made upon the Borrower’s irrevocable notice to the applicable Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum principal amount 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 the applicable Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Borrower, including a certification that such Borrowing complies with Section 2.04(a). Promptly after receipt by the applicable Swing Line Lender of any telephonic Swing Line Loan Notice, such Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, such Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the applicable Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent (including at the request of any Lender) prior to 2:00 p.m. on the date of the proposed Borrowing of Swing Line Loans (A) directing a 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 Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article V is not then satisfied, then, subject to the terms and conditions hereof, the applicable Swing Line Lender will, not

later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrower.

(c) Refinancing of Swing Line Loans.

(i) Each Swing Line Lender at any time in its sole discretion may request, on behalf of the Borrower (which hereby irrevocably requests and authorizes each 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 Applicable Percentage of the amount of Swing Line Loans made by such Swing Line Lender then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the conditions set forth in Section 5.02 (other than the delivery of a Loan Notice) and provided that, after giving effect to such Borrowing, the Total Revolving Outstandings shall not exceed the Aggregate Revolving Commitments. The applicable Swing Line Lender shall furnish the Borrower with a copy of the applicable Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Loan Notice available to the Administrative Agent in immediately available funds (and the Administrative Agent may apply Cash Collateral available with respect to the applicable Swing Line Loan) for the account of the applicable Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrower in such amount. The Administrative Agent shall remit the funds so received to the applicable Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Borrowing of Revolving Loans in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the applicable Swing Line Lender as set forth herein shall be deemed to be a request by the applicable Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the applicable Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of a Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), such Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative 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 such Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by such Swing Line Lender in accordance with banking industry rules on interbank compensation. A certificate of the applicable Swing Line Lender

submitted to any Lender (through the Administrative 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 Section 2.04(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 a Swing Line Lender, the 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 Section 2.04(c) is subject to the conditions set forth in Section 5.02. No such purchase or funding of risk participations shall relieve or otherwise impair the obligation of the Borrower to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if a Swing Line Lender receives any payment on account of such Swing Line Loan, such Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by such Swing Line Lender.

(ii) If any payment received by a Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by such Swing Line Lender under any of the circumstances described in Section 11.05 (including pursuant to any settlement entered into by the applicable Swing Line Lender in its discretion), each Lender shall pay to applicable Swing Line Lender its Applicable Percentage thereof on demand of the Administrative 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 Rate. The Administrative Agent will make such demand upon the request of the applicable 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. Each Swing Line Lender shall be responsible for invoicing the Borrower for interest on the Swing Line Loans. Until each Lender funds its Revolving Loans that are Base Rate Loans or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the applicable Swing Line Lender.

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

(g) Swing Line Lender Reports to the Administrative Agent. Unless otherwise agreed by the Administrative Agent, each Swing Line Lender shall, in addition to its notification obligations set forth elsewhere in this Section, provide the Administrative Agent a Swing Line Loan report, as set forth below:

- (i) reasonably prior to the time that such Swing Line Lender makes a Swing Line Loan, the date of such Swing Line Loan and the amount thereof;
- (ii) on each Business Day on which the Borrower makes a payment with respect to a Swing Line Loan, the date and amount of such payment;
- (iii) on any Business Day on which the Borrower fails to make a required payment with respect to a Swing Line Loan and the amount of such required payment;
- (iv) on any Business Day that such Swing Line Lender agrees to increase its Swing Line Loan Commitment and the amount of such increase;
- (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Swing Line Loans made by such Swing Line Lender; and
- (vi) each Swing Line Lender shall deliver to the Administrative Agent (A) on the last Business Day of each calendar month and (B) at all other times a Swing Line Lender report is required to be delivered pursuant to this Agreement, a Swing Line Loan report appropriately completed with the information for every outstanding Swing Line Loan made by such Swing Line Lender.

2.05 Prepayments.

(a) Voluntary Prepayments.

(i) Revolving Loans. The Borrower may, upon notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Revolving Loans in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans and LIBOR Daily Floating Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any such prepayment of LIBOR Daily Floating Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (D) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment and the Type(s) of Revolving Loans to be prepaid. The Administrative Agent will promptly notify each applicable Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be

due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the Revolving Loans of the Lenders in accordance with their respective Applicable Percentages.

(ii) Swing Line Loans. The Borrower may, upon notice to the applicable Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the applicable Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(iii) Term Loans. The Borrower may, upon notice from the Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay any Term Loan tranche in whole or in part without premium or penalty; provided that (A) such notice must be received by the Administrative Agent not later than 11:00 a.m. (1) three Business Days prior to any date of prepayment of Eurodollar Rate Loans and (2) on the date of prepayment of Base Rate Loans and LIBOR Daily Floating Rate Loans; (B) any such prepayment of Eurodollar Rate Loans shall be in a principal amount of \$1,000,000 or a whole multiple of \$1,000,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); (C) any such prepayment of LIBOR Daily Floating Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding); and (D) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof (or, if less, the entire principal amount thereof then outstanding). Each such notice shall specify the date and amount of such prepayment, the tranche of Terms Loans to be prepaid and the Type(s) of Term Loans to be prepaid. The Administrative Agent will promptly notify each applicable Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Borrower, the Borrower shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a Eurodollar Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Subject to Section 2.15, each such prepayment shall be applied to the applicable tranche of Term Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) Mandatory Prepayments of Loans.

(i) Revolving Commitments. If for any reason the Total Revolving Outstandings at any time exceed the Aggregate Revolving Commitments then in effect, the Borrower shall immediately prepay Revolving Loans and/or the Swing Line Loans and/or Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess; provided, however, that the Borrower shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(b)(i) unless after the prepayment in full of the Revolving Loans and the Swing Line Loans the Total Revolving Outstandings exceed the Aggregate Revolving Commitments then in effect. All amounts required to be paid pursuant to this Section 2.05(b)(i) shall be applied ratably to Revolving Loans and Swing Line Loans and (after all Revolving Loans and Swing Line Loans have been repaid) to Cash Collateralize L/C Obligations.

(ii) Swing Line Commitments. If for any reason (A) the aggregate amount of Swing Line Loans to any Swing Line Lender exceeds its Swing Line Commitment or (B) the aggregate amount of all Swing Line Loans exceeds the Swing Line Sublimit then in effect, the Borrower shall immediately prepay Swing Line Loans in an aggregate amount equal to such excess. All amounts required to be paid pursuant to (1) Section 2.05(b)(ii)(A) shall be applied to such Swing Line Lender and (2) Section 2.05(b)(ii)(B) shall be applied ratably to outstanding Swing Line Loans.

(iii) L/C Obligations. If for any reason (A) the aggregate amount of L/C Obligations to any L/C Issuer exceeds its L/C Commitment or (B) the aggregate amount of all L/C Obligations exceeds the Letter of Credit Sublimit then in effect, the Borrower shall immediately Cash Collateralize the L/C Obligations in an aggregate amount equal to such excess. All amounts required to be Cash Collateralized pursuant to (1) Section 2.05(b)(iii)(A) shall be applied to such L/C Issuer and (2) Section 2.05(b)(iii)(B) shall be applied ratably to outstanding L/C Obligations.

Within the parameters of the applications set forth above, prepayments shall be applied, as applicable, first to Base Rate Loans, second to LIBOR Daily Floating Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities. All prepayments under this Section 2.05(b) shall be subject to Section 3.05, but otherwise without premium or penalty, and shall be accompanied by interest on the principal amount prepaid through the date of prepayment.

2.06 Termination or Reduction of Aggregate Revolving Commitments.

(a) Optional Reductions. The Borrower may, upon notice to the Administrative Agent, terminate the Aggregate Revolving Commitments, or from time to time permanently reduce the Aggregate Revolving Commitments to an amount not less than the Outstanding Revolving Amount of Revolving Loans, Swing Line Loans and L/C Obligations; provided that (i) any such notice shall be received by the Administrative Agent not later than 1:00 p.m., five (5) Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$2,000,000 or any whole multiple of \$1,000,000 in excess thereof and (iii) the Borrower shall not terminate or reduce

(A) the Aggregate Revolving Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Revolving Outstandings would exceed the Aggregate Revolving Commitments, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Revolving Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, or (C) the Swing Line Sublimit if, after giving effect thereto and to any concurrent prepayments hereunder, the Outstanding Revolving Amount of Swing Line Loans would exceed the Swing Line Sublimit.

(b) Mandatory Reductions. If after giving effect to any reduction or termination of Aggregate Revolving Commitments under this Section 2.06, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the Aggregate Revolving Commitments at such time, the Letter of Credit Sublimit or the Swing Line Sublimit, as the case may be, shall be automatically reduced by the amount of such excess.

(c) Notice. The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Aggregate Revolving Commitments under this Section 2.06. Upon any reduction of the Aggregate Revolving Commitments, the Revolving Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees in respect of the Aggregate Revolving Commitments accrued until the effective date of any termination of the Aggregate Revolving Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) Revolving Loans. The Borrower shall repay to the Lenders on the Revolving Maturity Date the aggregate principal amount of all Revolving Loans outstanding on such date.

(b) Swing Line Loans. The Borrower shall repay each Swing Line Loan on the earliest to occur of (i) the date within one (1) Business Day of demand therefor by the applicable Swing Line Lender, (ii) the date five Business Days after such Swing Line Loan is made and (iii) the Revolving Maturity Date.

(c) Term Loans. The Borrower shall repay to the Lenders (i) on the Term Loan A-1 Maturity Date the aggregate principal amount of Term Loan A-1 outstanding on such date, (ii) on the Term Loan A-2 Maturity Date, the aggregate principal amount of Term Loan A-2 outstanding on such date and (iii) any Incremental Term Loan on the applicable maturity date thereof as set forth in the applicable Incremental Term Loan Agreement, together, in each case, with all accrued and unpaid interest in respect thereto.

2.08 Interest.

(a) Subject to the provisions of subsection (b) below, (i) each Eurodollar Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the sum of the Eurodollar Rate for such Interest Period plus the Applicable Rate, (ii) each LIBOR Daily Floating Rate Loan shall bear interest on the outstanding principal amount thereof from the

applicable borrowing date at a rate per annum equal to the LIBOR Daily Floating Rate plus the Applicable Rate, (iii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate and (iv) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Rate.

(b)

(i) If any amount of principal of any Loan is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise or if any Event of Default has occurred under Section 9.01(f), all outstanding Obligations hereunder shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of any Loan) is not paid when due (after giving effect to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then upon the request of the Required Lenders, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all outstanding Obligations hereunder at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iv) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees.

In addition to certain fees described in subsections (h) and (i) of Section 2.03:

(a) Unused Fees. For each day during the term hereof that the Applicable Rate is determined pursuant to clause (a) of the definition of Applicable Rate, the Borrower shall pay a fee to the Administrative Agent for the pro rata benefit of the Lenders in an amount equal to the Unused Fee for such day. The Unused Fee shall be payable quarterly in arrears on the first Business Day of each calendar quarter and as of the Revolving Maturity Date.

(b) Facility Fees. For each day during the term hereof that the Applicable Rate is determined pursuant to clause (b) of the definition of Applicable Rate, the

Borrower shall pay a fee to the Administrative Agent for the pro rata benefit of the Lenders in an amount equal to the Facility Fee for such day. The Facility Fee shall be payable quarterly in arrears on the first Business Day of each calendar quarter and as of the Revolving Maturity Date.

(c) Other Fees.

(i) The Borrower shall pay to the Arrangers and the Administrative Agent for their own respective accounts fees in the amounts and at the times specified in the Fee Letters. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(ii) The Borrower shall pay to the Lenders such fees as shall have been separately agreed upon in writing in the amounts and at the times so specified. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate.

(a) All computations of interest for Base Rate Loans (including Base Rate Loans determined by reference to the Eurodollar Rate) shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more fees or interest, as applicable, being paid than if computed on the basis of a 365-day year). Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) If, as a result of any restatement of or other adjustment to the financial statements of the Consolidated Group or for any other reason, the Borrower or the Lenders determine that (i) the Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (ii) a proper calculation of the Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall immediately and retroactively be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuer, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States, automatically and without further action by the Administrative Agent, any Lender or a L/C Issuer), an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period. This paragraph shall not limit the rights of the Administrative Agent, any Lender or a L/C Issuer, as the case may be, under Section 2.03(c)(iii), 2.03(i) or 2.08(b) or under Article IX. The Borrower's obligations under this paragraph

shall survive the termination of the Commitments of all of the Lenders and the repayment of all other Obligations hereunder.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by such Lender in the ordinary course of business. The Administrative Agent shall maintain the Register in accordance with Section 11.06(c). The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the Register, the Register shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrower shall execute and deliver to such Lender (through the Administrative Agent) a promissory note, which shall evidence such Lender's Loans in addition to such accounts or records. Each such promissory note shall (i) in the case of Revolving Loans, be in the form of Exhibit C (a "Revolving Note"), (ii) in the case of Swing Line Loans, be in the form of Exhibit D (a "Swing Line Note"), (iii) in the case of a Term A-1 Loan, be in the form of Exhibit F-1 (a "Term A-1 Note") and (iv) in the case of a Term A-2 Loan, be in the form of Exhibit F-2 (a "Term A-2 Note"). Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto.

(b) In addition to the accounts and records referred to in subsection (a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m. shall be deemed received on the next

succeeding Business Day and any applicable interest or fee shall continue to accrue. Subject to the definition of “Interest Period”, if any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b)

(i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of Eurodollar Rate Loans (or, in the case of any Borrowing of Base Rate Loans or LIBOR Daily Floating Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or, in the case of any Borrowing of Base Rate Loans or LIBOR Daily Floating Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation and (B) in the case of a payment to be made by the Borrower, the interest rate applicable to Base Rate Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender’s Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent

(ii) Payments by Borrower; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or a L/C Issuer hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such

payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or a L/C Issuer, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or a L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or a L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article V are not satisfied or waived in accordance with the terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 11.04(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 11.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 11.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13. 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 the Loans made by it, or the participations in L/C Obligations or in Swing Line Loans held by it (excluding any amounts applied by a Swing Line Lender to outstanding Swing Line Loans) resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Loans or participations and accrued interest thereon greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and subparticipations in L/C Obligations and Swing Line Loans of the other Lenders, 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, provided that:

- (i) 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
- (ii) the provisions of this Section shall not be construed to apply to (x) any payment made by or on behalf of the 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), (y) the application of Cash Collateral provided for in Section 2.14 or (z) 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 L/C Obligations or Swing Line Loans to any assignee or participant, other than an assignment to the Borrower or any Subsidiary 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 such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Cash Collateral.

- (a) Certain Credit Support Events. If (i) a L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing, (ii) as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, (iii) the Borrower shall be required to provide Cash Collateral pursuant to Section 9.02(c), or (iv) there shall exist a Defaulting Lender, the Borrower shall within one Business Day following any request by the Administrative Agent or a L/C Issuer, provide Cash Collateral in an amount not less than the applicable Minimum Collateral Amount (determined in the case of Cash Collateral provided pursuant to clause (iv) above, after giving effect to Section 2.15(a)(iv) and any Cash Collateral provided by the Defaulting Lender).
- (b) Grant of Security Interest. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the L/C Issuers and the Lenders, 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 is permitted to be applied pursuant to Section 2.14(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any

Person other than the Administrative Agent or a L/C Issuer as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrower will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts at PNC Bank. The Borrower shall pay on demand therefor from time to time all customary account opening, activity and other administrative fees and charges in connection with the maintenance and disbursement of Cash Collateral.

- (c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 2.14 or Sections 2.03, 2.05, 2.15 or 9.02 in respect of Letters of Credit shall be held and applied in satisfaction of the specific L/C Obligations, 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) Release. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure or to secure other obligations shall be released promptly following (i) the elimination of the applicable Fronting Exposure or other obligations giving rise thereto (including by the termination of Defaulting Lender status of the applicable Lender) (or, as appropriate, its assignee following compliance with Section 11.06(b)(vi)) or (ii) the determination by the Administrative Agent and a L/C Issuer that there exists excess Cash Collateral; provided, however, (x) any such release shall be without prejudice to, and any disbursement or other transfer of Cash Collateral shall be and remain subject to, any other Lien conferred under the Loan Documents and the other applicable provisions of the Loan Documents, and (y) the Person providing Cash Collateral and a L/C Issuer may agree that Cash Collateral shall not be released but instead held to support future anticipated Fronting Exposure or other obligations.

2.15 Defaulting Lenders.

- (a) Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as that Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:
 - (i) Waivers and Amendment. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of "Required Lenders" and Section 11.01.
 - (ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amount received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article IX or otherwise) or

received by the Administrative Agent from a Defaulting Lender pursuant to Section 11.08, shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to a L/C Issuer or Swing Line Lender hereunder; third, to Cash Collateralize a L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 2.14; fourth, as the 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 the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize a L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 2.14; sixth, to the payment of any amounts owing to the Lenders, a L/C Issuer or a Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, a L/C Issuer or a Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; and eighth, 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 L/C Borrowings in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 5.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Line Loans are held by the Lenders pro rata in accordance with the Commitments hereunder without giving effect to Section 2.15(a) (iv). 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 or to post Cash Collateral

pursuant to this Section 2.15(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

- (A) No Defaulting Lender shall be entitled to receive a Facility Fee and/or Unused Fee 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); provided that each Defaulting Lender shall be entitled to receive the Facility Fee to the extent allocable to the sum of (1) the outstanding principal amount of the Loans funded by it, and (2) its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.
- (B) No Defaulting Lender shall be entitled to receive any Letter of Credit Fee 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); provided, however, notwithstanding the above, each Defaulting Lender shall be entitled to receive Letter of Credit Fees for any period during which such Lender is a Defaulting Lender to the extent allocable to its Applicable Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.14.
- (C) (1) With respect to any Letter of Credit Fee not required to be paid to any Defaulting Lender pursuant to clause (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to a L/C Issuer the remaining amount of any such fee otherwise payable to such Defaulting Lender after giving effect to the amount paid in clause (x) to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender and (z) not be required to pay the remaining amount of any such fee. (2) With respect to any fee payable under Section 2.09(a) not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Borrower shall (x) pay to a L/C Issuer the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's Fronting Exposure to such Defaulting Lender, and (y) not be required to pay the remaining amount of any such fee.

- (iv) Reallocation of Applicable Percentages to Reduce Fronting Exposure. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages (calculated without regard to such Defaulting Lender's Revolving Commitment) but only to the extent that (x) the conditions set forth in Section 5.02 are satisfied at the time of such reallocation (and, unless the Borrower shall have otherwise notified the Administrative Agent at such time, the 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 Revolving Credit Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 11.19, 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.
- (v) Cash Collateral, Repayment of Swing Line Loans. If the reallocation described in clause (a)(iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under applicable Law, (x) first, prepay Swing Line Loans, pro rata, in any amount equal to each Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize a L/C Issuers' Fronting Exposure in accordance with the procedures set forth in Section 2.14.
- (b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swing Line Lenders and the L/C Issuers agree in writing that a Lender is no longer a Defaulting Lender, the Administrative 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 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 the Administrative 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 on a pro rata basis by the Lenders in accordance with their Applicable Percentages (without giving effect to Section 2.15(a)(iv)), 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 the Borrower while that Lender was a Defaulting Lender; 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 having been a Defaulting Lender.

2.16 Increase in Commitments.

- (a) Request for Increase. Provided there exists no Default, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Borrower may from time to time, request (x) an increase in the Aggregate Revolving Commitments or any existing Term Loan or (y) a new term loan (an “Incremental Term Loan”); provided that (i) any such request shall be in a minimum amount of \$25,000,000, (ii) the aggregate amount of all such requested increases to an existing Term Loan and Incremental Term Loans may not exceed \$200,000,000 and (iii) the aggregate amount of increases to the Aggregate Revolving Commitments may not exceed \$500,000,000. At the time of sending such notice, the Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders).
- (b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within the time period specified by the Borrower pursuant to Section 2.16(a) whether or not it agrees to increase its Revolving Commitment or any Term Loan or agrees to participate in an Incremental Term Loan and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Revolving Commitment or any Term Loan or participate in an Incremental Term Loan.
- (c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Borrower and each Lender of the Lenders’ responses to each request made hereunder. To achieve the full amount of a requested increase, and subject to the approval of the Administrative Agent, the L/C Issuers and the Swing Line Lenders, the Borrower may also invite additional Eligible Assignees to become Lenders pursuant to a joinder agreement (“New Lenders”) in form and substance reasonably satisfactory to the Administrative Agent.
- (d) Effective Date and Allocations. If the Aggregate Revolving Commitments are increased, a Term Loan is increased or an Incremental Term Loan is added in accordance with this Section, the Administrative Agent and the Borrower shall determine the effective date (the “Increase Effective Date”) and the final allocation of such increase or Incremental Term Loan. The Administrative Agent shall promptly notify the Borrower and the Lenders and the New Lenders, if any, of the final allocation of such increase or Incremental Term Loan and the Increase Effective Date.
- (e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, the Borrower shall deliver to the Administrative Agent (i) a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrower, certifying that, before and after giving effect to such

increase, (1) the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects), on and as of the Increase Effective Date, except to the extent that such representations refer to an earlier date, in which case they are true and correct in all material respects as of such earlier date, and except that for purposes of this Section, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01, and (2) both before and after giving effect to the increase, no Default exists and (ii) if such increase is in the form of an Incremental Term Loan, an agreement, in form and substance reasonably satisfactory to the Administrative Agent, duly executed by each applicable Lender and New Lender, the Borrower and the Administrative Agent (each such agreement, an “Incremental Term Loan Agreement”) setting forth the Applicable Rate and the maturity date for such Incremental Term Loan. The Borrower shall deliver or cause to be delivered any other customary documents (including, without limitation, customary legal opinions) as reasonably requested by the Administrative Agent in connection with any such increase in the Aggregate Revolving Commitments or a Term Loan or the making of an Incremental Term Loan. If the Aggregate Revolving Commitments are increased, the Borrower shall prepay any Revolving Loans outstanding on the Increase Effective Date (and pay any additional amounts required pursuant to Section 3.05) to the extent necessary to keep the outstanding Revolving Loans ratable with any revised Applicable Percentages arising from any nonratable increase in the Aggregate Revolving Commitments under this Section.

(f) Conflicting Provisions. This Section shall supersede any provisions in Section 2.13 or 11.01 to the contrary.

2.17 Extension of Maturity Date.

(a) Requests for Extension.

(i) The Borrower may, by notice to the Administrative Agent and the Lenders not earlier than 90 days and not later than 45 days prior to the Revolving Maturity Date (the “Existing Maturity Date”), request that the Lenders extend the Revolving Maturity Date for an additional six month period from the Existing Maturity Date (the “Extended Revolving Maturity Date”).

(ii) The Borrower may, by notice to the Administrative Agent and the Lenders not earlier than 90 days and not later than 45 days prior to the Extended Revolving Maturity Date, request that the Lenders extend such Extended Revolving Maturity Date for an additional six months.

(iii) For clarification purposes, it is understood and agreed that pursuant to this Section 2.17(a), the Borrower may request two six month extensions with respect to the Revolving Maturity Date.

(b) Conditions to Effectiveness of Extension. As a condition precedent to any such extension, the Borrower shall (i) deliver to the Administrative Agent a certificate of each Loan Party dated as of the Existing Maturity Date or

Extended Revolving Maturity Date, as applicable, signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such extension and (B) certifying that, before and after giving effect to such extension, (x) the representations and warranties contained in Article VI and the other Loan Documents are true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) on and as of the Existing Revolving Maturity Date or the Extended Revolving Maturity Date, as applicable, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 2.17, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 7.01, and (y) no Default exists and (ii) pay a fee to the Administrative Agent, for the pro rata benefit of the applicable Lenders, equal to 0.075% on the amount of the Aggregate Revolving Commitments at the time of each such extension.

2.18 Sustainability Adjustments.

- (a) Following the date on which the Borrower provides a Pricing Certificate in respect of the most recently ended fiscal year, the Applicable Rate shall be decreased (or not decreased) pursuant to the Sustainability Applicable Rate Adjustment Amount as set forth in such Pricing Certificate; provided, that in no event will the Applicable Margin be reduced to less than zero as a result of the Sustainability Rate Adjustment Amount. For purposes of the foregoing, the Sustainability Applicable Rate Adjustment Amount shall be determined as of the fifth Business Day following receipt by the Administrative Agent of a Pricing Certificate delivered pursuant to Section 7.02(f) based upon the KPI Metric set forth in such Pricing Certificate and the calculations of the Sustainability Applicable Rate Adjustment Amount therein (such day, the “Sustainability Pricing Adjustment Date”) and (B) each change in the Applicable Rate resulting from a Pricing Certificate shall be effective during the period commencing on and including the applicable Sustainability Pricing Adjustment Date and ending on the date immediately preceding the next such Sustainability Pricing Adjustment Date (or, in the case of non-delivery of a Pricing Certificate, the last day such Pricing Certificate could have been delivered pursuant to the terms of Section 7.02(f)).
- (b) For the avoidance of doubt, only one Pricing Certificate may be delivered in respect of any fiscal year. It is further understood and agreed that the Applicable Rate will never be reduced by more than one basis points (0.01%) pursuant to the Sustainability Applicable Rate Adjustment Amount from the Applicable Rate that would have applied in the absence of such adjustment during any fiscal year. For the avoidance of doubt, any

adjustment to the Applicable Rate by reason of meeting the KPI Metric in any year shall not be cumulative year-over-year. Each applicable adjustment shall only apply until the date on which the next adjustment is delivered or able to be delivered pursuant to Section 7.02(f).

- (c) It is hereby understood and agreed that if no such Pricing Certificate is delivered by the Borrower within the period set forth in Section 7.02(f), the Sustainability Applicable Rate Adjustment Amount will be zero basis points (0.00%) commencing on the last day such Pricing Certificate could have been delivered pursuant to the terms of Section 7.02(f) and continuing until the Borrower delivers a Pricing Certificate to the Administrative Agent.
- (d) If (i) the Borrower or any Lender becomes aware of any material inaccuracy in the Sustainability Applicable Rate Adjustment Amount or the KPI Metric as reported in a Pricing Certificate (any such material inaccuracy, a “Pricing Certificate Inaccuracy”) and the Borrower or such Lender delivers, not later than ten (10) Business Days after obtaining knowledge thereof, a written notice to the Administrative Agent describing such Pricing Certificate Inaccuracy in reasonable detail (which description shall be shared with each Lender and the Borrower), or (ii) the Borrower and the Lenders agree that there was a Pricing Certificate Inaccuracy at the time of delivery of a Pricing Certificate, then, in each case, as applicable, (A) if a proper calculation of the Sustainability Applicable Rate Adjustment Amount or the KPI Metric would have resulted in no change in the Applicable Rate for such period, the Borrower shall be obligated to pay to the Administrative Agent for the account of the applicable Lenders or the applicable L/C Issuers, as the case may be, promptly on demand by the Administrative Agent (or, after the occurrence of an actual or deemed entry of an order for relief with respect to any Borrower under the Bankruptcy Code (or any comparable event under non-U.S. Debtor Relief Laws), automatically and without further action by the Administrative Agent, any Lender or any L/C Issuer), but in any event within ten (10) Business Days after the Borrower has received written notice of, or has agreed in writing that there was, a Pricing Certificate Inaccuracy, an amount equal to the excess of (x) the amount of interest and fees that should have been paid for such period over (y) the amount of interest and fees actually paid for such period and (B) if the Borrower becomes aware of any Pricing Certificate Inaccuracy and, in connection therewith, if a proper calculation of the Sustainability Applicable Rate Adjustment Amount or the KPI Metric would have resulted in a decrease in the Applicable Rate for any period, then, upon receipt by the Administrative Agent of notice from the Borrower of such Pricing Certificate Inaccuracy (which notice shall include corrections to the calculations of the Sustainability Applicable Rate Adjustment Amount or the KPI Metric, as applicable), commencing on the first (1st) Business Day following receipt by the Administrative Agent of such notice, the Applicable Rate shall be adjusted to reflect the corrected calculations of the Sustainability Applicable Rate Adjustment Amount or the KPI Metric, as applicable.

- (e) It is understood and agreed that any Pricing Certificate Inaccuracy shall not constitute a Default or Event of Default; provided, that, the Borrower complies with the terms of Section 2.18(d), with respect to such Pricing Certificate Inaccuracy. Notwithstanding anything to the contrary herein, unless such amounts shall be due upon the occurrence of an actual or deemed entry of an order for relief with respect to a Borrower under the Bankruptcy Code (or any comparable event under non-U.S. Debtor Relief Laws), (i) any additional amounts required to be paid pursuant the immediate preceding clause (d) shall not be due and payable until a written demand is made for such payment by the Administrative Agent in accordance with such clause (d), (ii) any nonpayment of such additional amounts prior to or upon such demand for payment by Administrative Agent shall not constitute a Default (whether retroactively or otherwise) and (iii) none of such additional amounts shall be deemed overdue prior to such a demand or shall accrue interest at the Default Rate prior to such a demand.
- (f) Each party hereto hereby agrees that neither the Administrative Agent nor the Sustainability Agent shall have any responsibility for (or liability in respect of) reviewing, auditing or otherwise evaluating any calculation by the Borrower of any Sustainability Applicable Rate Adjustment Amount (or any of the data or computations that are part of or related to any such calculation) set forth in any Pricing Certificate (and the Administrative Agent may rely conclusively on any such certificate, without further inquiry).

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

3.01 Taxes.

a. Payments Free of Taxes; Obligation to Withhold; Payments on Account of Taxes.

- (i) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws. If any applicable Laws (as determined in the good faith discretion of the Administrative Agent or a Loan Party, as applicable) require the deduction or withholding of any Tax from any such payment by the Administrative Agent or a Loan Party, then the Administrative Agent or such Loan Party shall be entitled to make such deduction or withholding, upon the basis of the information and documentation to be delivered pursuant to subsection (e) below.
- (ii) If any Loan Party or the Administrative Agent shall be required by the Internal Revenue Code to withhold or deduct any Taxes, including both United States Federal backup withholding and withholding taxes, from any payment, then (A) the Administrative Agent shall withhold or make such deductions as are determined by the Administrative Agent to be required based upon the

information and documentation it has received pursuant to subsection (e) below, (B) the Administrative Agent shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with the Internal Revenue Code, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.

- (iii) If any Loan Party or the Administrative Agent shall be required by any applicable Laws other than the Internal Revenue Code to withhold or deduct any Taxes from any payment, then (A) such Loan Party or the Administrative Agent, as required by such Laws, shall withhold or make such deductions as are determined by it to be required based upon the information and documentation it has received pursuant to subsection (e) below, (B) such Loan Party or the Administrative Agent, to the extent required by such Laws, shall timely pay the full amount withheld or deducted to the relevant Governmental Authority in accordance with such Laws, and (C) to the extent that the withholding or deduction is made on account of Indemnified Taxes, the sum payable by the applicable Loan Party shall be increased as necessary so that after any required withholding or the making of all required deductions (including deductions applicable to additional sums payable under this Section 3.01) the applicable Recipient receives an amount equal to the sum it would have received had no such withholding or deduction been made.
- (b) Payment of Other Taxes by the Loan Parties. Without limiting the provisions of subsection (a) above, the Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.
- (c) Tax Indemnifications. (i) Each of the Loan Parties shall, and does hereby, jointly and severally indemnify each Recipient, and shall make payment in respect thereof 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 3.01) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient, and any reasonable expenses arising therefrom 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 or a L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its

own behalf or on behalf of a Lender or a L/C Issuer, shall be conclusive absent manifest error.

- (i) Each Lender and a L/C Issuer shall, and does hereby, severally indemnify, and shall make payment in respect thereof within 10 days after demand therefor, (x) the Administrative Agent against any Indemnified Taxes attributable to such Lender or a L/C Issuer (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (y) the Administrative Agent against any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.06(d) relating to the maintenance of a Participant Register and (z) the Administrative Agent against any Excluded Taxes attributable to such Lender or a L/C Issuer, in each case, that are payable or paid by the Administrative 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 the Administrative Agent shall be conclusive absent manifest error. Each Lender and a L/C Issuer hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender or a L/C Issuer, as the case may be, under this Agreement or any other Loan Document against any amount due to the Administrative Agent under this clause (ii).
- (d) Evidence of Payments. Upon request by any Loan Party or the Administrative Agent, as the case may be, after any payment of Taxes by any Loan Party or by the Administrative Agent to a Governmental Authority as provided in this Section 3.01, each Loan Party shall deliver to the Administrative Agent or the Administrative Agent shall deliver to the Borrower, as the case may be, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of any return required by Laws to report such payment or other evidence of such payment reasonably satisfactory to the Borrower or the Administrative Agent, as the case may be.
- (e) Status of Lenders; Tax Documentation. (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 the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative 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 the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative 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 Section 3.01(e)(ii)(A), (ii)(B) and (ii)(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.

- (i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,
 - (A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative 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 the Borrower or the Administrative Agent), executed copies of Internal Revenue Service Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;
 - (B) any Foreign Lender (or any successor Administrative Agent that is not a U.S. Person) shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative 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 or on which such successor Administrative Agent becomes the Administrative Agent under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative 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 copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, 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, Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, 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 copies of Internal Revenue Service 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 Internal Revenue Code, (x) a certificate substantially in the form of Exhibit I-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Internal Revenue Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable; or
 - (IV) to the extent a Foreign Lender is not the beneficial owner, executed copies of Internal Revenue Service Form W-8IMY, accompanied by Internal Revenue Service Form W-8ECI, Internal Revenue Service Form W-8BEN or W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate substantially in the form of Exhibit I-2 or Exhibit I-3, Internal Revenue Service 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 I-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 the Borrower and the Administrative 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 the Borrower or the Administrative Agent), executed copies 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 the Borrower or the Administrative 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 Internal Revenue Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by Law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative 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.
- (ii) Each Lender agrees that if any form or certification it previously delivered pursuant to this Section 3.01 expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.
- (f) Treatment of Certain Refunds. Unless required by applicable Laws, at no time shall the Administrative Agent have any obligation to file for or otherwise pursue on behalf of a Lender or a L/C Issuer, or have any obligation to pay to any Lender or a L/C Issuer, any refund of Taxes withheld or deducted from funds paid for the account of such Lender or a L/C Issuer, as the case may be. If any Recipient determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 3.01, it shall pay to the Loan Party an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by a Loan Party under this Section 3.01 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) incurred by such Recipient, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Party, upon the request of the Recipient, agrees to repay the amount paid over to the Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Recipient in the event the Recipient is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection, in no event will the applicable Recipient be required to pay any amount to the Loan

Party pursuant to this subsection the payment of which would place the Recipient in a less favorable net after-Tax position than such Recipient 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 indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require any Recipient to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to any Loan Party or any other Person.

- (g) Survival. Each party's obligations under this Section 3.01 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender or a L/C Issuer, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.
- (h) FATCA Treatment. For purposes of determining withholding Taxes imposed under the Foreign Account Tax Compliance Act (FATCA), from and after the Closing Date, the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a "grandfathered obligation" within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

3.02 Illegality.

If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its Lending Office to make, maintain or fund Loans whose interest is determined by reference to the Eurodollar Rate or the LIBOR Daily Floating Rate, or to determine or charge interest rates based upon the Eurodollar Rate or LIBOR Daily Floating Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, (i) any obligation of such Lender to make or continue Eurodollar Rate Loans or LIBOR Daily Floating Rate Loans or to convert Base Rate Loans to Eurodollar Rate Loans or LIBOR Daily Floating Rate Loans shall be suspended and (ii) if such notice asserts the illegality of such Lender making or maintaining Base Rate Loans the interest rate on which is determined by reference to the Eurodollar Rate component of the Base Rate, the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Rate Loans and LIBOR Daily Floating Rate Loans of such Lender to Base Rate Loans (the interest rate on which Base Rate Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Eurodollar Rate component of the Base Rate), either, in the case of LIBOR Daily Floating Rate Loans, immediately, or, in the case of Eurodollar Rate Loans, on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Rate Loans, and (y) if such notice asserts the illegality of such Lender

determining or charging interest rates based upon the Eurodollar Rate or the LIBOR Daily Floating Rate for any period, the Administrative Agent shall during the period of such suspension compute the Base Rate applicable to such Lender without reference to the Eurodollar Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Eurodollar Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

3.03 Benchmark Replacement Setting.

- (a) Announcements Related to LIBOR. On March 5, 2021, the ICE Benchmark Administration, the administrator of LIBOR (the “IBA”) and the U.K. Financial Conduct Authority, the regulatory supervisor for the IBA, announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-month, 3-month, 6-month and 12-month USD LIBOR tenor settings (collectively, the “Cessation Announcements”). The parties hereto acknowledge that, as a result of the Cessation Announcements, a Benchmark Transition Event occurred on March 5, 2021 with respect to USD LIBOR under clauses (1) and (2) of the definition of Benchmark Transition Event below; provided however, no related Benchmark Replacement Date occurred as of such date.
- (b) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document (and any agreement executed in connection with an interest rate hedge shall be deemed not to be a “Loan Document” for purposes of this Section titled “Benchmark Replacement Setting”), if a Benchmark Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (i) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (ii) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

- (c) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.
- (d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event, a Term SOFR Transition Event, an Early Opt-in Election or an Other Benchmark Rate Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, (iv) the removal or reinstatement of any tenor of a Benchmark pursuant to paragraph (e) below and (v) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section titled "Benchmark Replacement Setting," including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document (for the avoidance of doubt, a joint election for the Benchmark Replacement Setting by the Administrative Agent and the Borrower will be required in the event there are outstanding Swap Obligations), except, in each case, as expressly required pursuant to this Section titled "Benchmark Replacement Setting."
- (e) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the Administrative Agent may modify the definition of "Interest Period" for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" for all Benchmark settings at or after such time to reinstate such previously removed tenor.

- (f) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any request for a Loan bearing interest based on USD LIBOR, conversion to or continuation of Loans bearing interest based on USD LIBOR to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Loan of or conversion to Loans bearing interest under the Base Rate Option. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of the Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.
- (g) Term SOFR Transition Event. Notwithstanding anything to the contrary herein or in any other Loan Document and subject to the proviso below in this paragraph, if a Term SOFR Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, then (i) the applicable Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of such Benchmark setting (the "Secondary Term SOFR Conversion Date") and subsequent Benchmark settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) Loans outstanding on the Secondary Term SOFR Conversion Date bearing interest based on the then-current Benchmark shall be deemed to have been converted to Loans bearing interest at the Benchmark Replacement with a tenor approximately the same length as the interest payment period of the then-current Benchmark; provided that, this paragraph (g) shall not be effective unless the Administrative Agent has delivered to the Lenders and the Borrower a Term SOFR Notice.

3.04 Increased Costs.

- (a) Increased Costs Generally. 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 Eurodollar Rate) or a L/C 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, (C) Connection Income Taxes and (D) Taxes imposed as a penalty for a Lender's failure to comply with non-U.S. legislation implementing FATCA) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

- (iii) impose on any Lender or a L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making, converting to, continuing or maintaining any Loan the interest on which is determined by reference to the Eurodollar Rate (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or a L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or a L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or a L/C Issuer, the Borrower will pay to such Lender or a L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or a L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

- (b) Capital Requirements. If any Lender or a L/C Issuer determines that any Change in Law affecting such Lender or a L/C Issuer or any Lending Office of such Lender or such Lender's or a L/C Issuer's holding company, if any, regarding capital or liquidity ratios or requirements has or would have the effect of reducing the rate of return on such Lender's or a L/C Issuer's capital or on the capital of such Lender's or a L/C Issuer's holding company, if any, as a consequence of this Agreement, the 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 a L/C Issuer, to a level below that which such Lender or a L/C Issuer or such Lender's or a L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or a L/C Issuer's policies and the policies of such Lender's or a L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or a L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or a L/C Issuer or such Lender's or a L/C Issuer's holding company for any such reduction suffered.
- (c) Certificates for Reimbursement. A certificate of a Lender or a L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or a L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or a L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.
- (d) Delay in Requests. Failure or delay on the part of any Lender or a L/C Issuer to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's or a L/C Issuer's right to demand such compensation, provided that the Borrower shall not be required to compensate a Lender or a L/C Issuer pursuant to

the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender or a L/C 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 a L/C 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).

3.05 Compensation for Losses.

Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrower shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

- (a) any continuation, conversion, payment or prepayment of any Loan other than a Base Rate Loan or a LIBOR Daily Floating Rate Loan on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);
- (b) any failure by the Borrower (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any Loan other than a Base Rate Loan or a LIBOR Daily Floating Rate Loan on the date or in the amount notified by the Borrower; or
- (c) any assignment of a Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Borrower pursuant to Section 11.13;

including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrower shall also pay any customary administrative fees charged by such Lender in connection with the foregoing.

For purposes of calculating amounts payable by the Borrower to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each Eurodollar Rate Loan made by it at the Eurodollar Base Rate used in determining the Eurodollar Rate for such Loan by a matching deposit or other borrowing in the London interbank eurodollar market for a comparable amount and for a comparable period, whether or not such Eurodollar Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

- (a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender, a L/C Issuer or any Governmental Authority for the account of any Lender or a L/C Issuer pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then at the request of the Borrower such Lender or a L/C

Issuer shall, as applicable, 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 or a L/C Issuer, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender or a L/C Issuer, as the case may be, to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender or a L/C Issuer, as the case may be. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender or a L/C Issuer in connection with any such designation or assignment.

- (b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with Section 3.06(a), the Borrower may replace such Lender in accordance with Section 11.13.

3.07 Survival.

All of the Borrower's obligations under this Article III shall survive termination of the Aggregate Revolving Commitments, repayment of all other Obligations hereunder and resignation of the Administrative Agent.

ARTICLE IV

GUARANTY

4.01 The Guaranty.

Each of the Guarantors hereby jointly and severally guarantees to each Lender, each Affiliate of a Lender party to a Swap Contract or Treasury Management Agreement with a Loan Party, and the Administrative Agent as hereinafter provided, as primary obligor and not as surety, the prompt payment of all Obligations 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. The Guarantors hereby further agree that if any of the Obligations are not paid in full when due (whether at stated maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise), the 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 Obligations, the same will be promptly paid in full when due (whether at extended maturity, as a mandatory prepayment, by acceleration, as a mandatory Cash Collateralization or otherwise) in accordance with the terms of such extension or renewal.

Notwithstanding any provision to the contrary contained herein or in any other of the Loan Documents, Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, (i) 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 Debtor Relief Laws or any comparable provisions of any applicable state law and (ii) the Obligation of a Guarantor that are guaranteed under this Guaranty shall exclude any Excluded Swap Obligations with respect to such Guarantor.

4.02 Obligations Unconditional.

The obligations of the Guarantors under Section 4.01 are joint and several, absolute and unconditional, irrespective of the value, genuineness, validity, regularity or enforceability of any of the Loan Documents, Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, or any other agreement or instrument referred to therein, or any substitution, release, impairment or exchange of any other guarantee of or security for any of the Obligations, and, to the fullest extent permitted by applicable law, irrespective of any law or regulation or other circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 4.02 that the obligations of the 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 the Borrower or any other Guarantor for amounts paid under this Article IV until such time as the Obligations have been paid in full and the Commitments have expired or 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 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, any Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents, such Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender shall be done or omitted;
- (c) the maturity of any of the 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, any Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents, such Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, shall be waived or any other guarantee of any of

the Obligations shall be released, impaired or exchanged in whole or in part or otherwise dealt with; or

- (d) any of the 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 and all notices whatsoever, and any requirement that the Administrative Agent or any Lender exhaust any right, power or remedy or proceed against any Person under any of the Loan Documents, any Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, or any other agreement or instrument referred to in the Loan Documents, such Swap Contracts with a Lender or Affiliate of a Lender or Treasury Management Agreements with a Lender or Affiliate of a Lender, or against any other Person under any other guarantee of, or security for, any of the Obligations.

4.03 Reinstatement.

The obligations of the Guarantors under this Article IV 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 Obligations is rescinded or must be otherwise restored by any holder of any of the Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and each Guarantor agrees that it will indemnify the Administrative Agent and each Lender on demand for all reasonable costs and expenses (including, without limitation, the fees, charges and disbursements of counsel) incurred by the Administrative Agent or such Lender 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 bankruptcy, insolvency or similar law.

4.04 Certain Additional Waivers.

Each Guarantor agrees that such Guarantor shall have no right of recourse to security for the Obligations, except through the exercise of rights of subrogation pursuant to Section 4.02 and through the exercise of rights of contribution pursuant to Section 4.06.

4.05 Remedies.

The Guarantors agree that, to the fullest extent permitted by law, as between the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, the Obligations may be declared to be forthwith due and payable as provided in Section 9.02 (and shall be deemed to have become automatically due and payable in the circumstances provided in said Section 9.02) for purposes of Section 4.01 notwithstanding any stay, injunction or other prohibition preventing such declaration (or preventing the Obligations from becoming automatically due and payable) as against any other Person and that, in the event of such declaration (or the Obligations being deemed to have become automatically due and payable), the Obligations (whether or not due and payable by any other Person) shall forthwith become due and payable by the Guarantors for purposes of Section 4.01.

4.06 Rights of Contribution.

The Guarantors agree among themselves that, in connection with payments made hereunder, each Guarantor shall have contribution rights against the other Guarantors as permitted under applicable law. Such contribution rights shall be subordinate and subject in right of payment to the obligations of such Guarantors under the Loan Documents and no Guarantor shall exercise such rights of contribution until all Obligations have been paid in full and the Commitments have terminated.

4.07 Guarantee of Payment; Continuing Guarantee.

The guarantee in this Article IV is a guaranty of payment and not of collection, is a continuing guarantee, and shall apply to all Obligations whenever arising.

4.08 Keepwell.

Each Loan Party that is a Qualified ECP Guarantor at the time the Guaranty in this Article IV by any Loan Party that is not then an “eligible contract participant” under the Commodity Exchange Act (a “Specified Loan Party”) or the grant of a security interest under the Loan Documents by any such Specified Loan Party, in either case, becomes effective with respect to any Swap Obligation, hereby jointly and severally, absolutely, unconditionally and irrevocably undertakes to provide such funds or other support to each Specified Loan Party with respect to such Swap Obligation as may be needed by such Specified Loan Party from time to time to honor all of its obligations under the Loan Documents in respect of such Swap Obligation (but, in each case, only up to the maximum amount of such liability that can be hereby incurred without rendering such Qualified ECP Guarantor’s obligations and undertakings under this Article IV voidable under applicable Debtor Relief Laws, and not for any greater amount). The obligations and undertakings of each applicable Loan Party under this Section shall remain in full force and effect until such time as the Obligations (other than contingent indemnification obligations that survive the termination of this Agreement) have been paid in full and the Commitments have expired or terminated. Each Loan Party intends this Section to constitute, and this Section shall be deemed to constitute, a guarantee of the obligations of, and a “keepwell, support, or other agreement” for the benefit of, each Specified Loan Party for all purposes of the Commodity Exchange Act.

ARTICLE V

CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

5.01 Conditions of Initial Credit Extension.

This Agreement shall become effective upon and the obligation of a L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent, unless otherwise waived by the Administrative Agent and the Lenders:

- (a) Loan Documents. Receipt by the Administrative Agent of executed counterparts of this Agreement and the other Loan Documents, each properly executed by a

Responsible Officer of the signing Loan Party and, in the case of this Agreement, by each Lender.

- (b) Opinions of Counsel. Receipt by the Administrative Agent of customary opinions of legal counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, dated as of the Closing Date, and in form and substance reasonably satisfactory to the Administrative Agent.
- (c) Financial Statements. Receipt by the Administrative Agent of:
 - (i) the Audited Financial Statements; and
 - (ii) Interim Financial Statements.
- (d) No Closing Date Material Adverse Effect. Since March 31, 2021, no event or circumstance, either individually or in the aggregate, has occurred that has had or could reasonably be expected to have a Closing Date Material Adverse Effect.
- (e) Litigation. There shall not exist any action, suit, investigation or proceeding pending in any court or before an arbitrator or Governmental Authority that could reasonably be expected to have a Closing Date Material Adverse Effect.
- (f) Organization Documents, Resolutions, Etc. Receipt by the Administrative Agent of the following, each of which shall be originals or facsimiles (followed promptly by originals), in form and substance reasonably satisfactory to the Administrative Agent:
 - (i) copies of the Organization Documents of each Loan Party certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by a secretary or assistant secretary of such Loan Party to be true and correct as of the Closing Date;
 - (ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party; and
 - (iii) such documents and certifications as the Administrative Agent may require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation.
- (g) Closing Certificate. Receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower certifying that the conditions specified in Sections 5.01(d) and (e) and 5.02(a) and (b) have been satisfied.
- (h) Compliance Certificate. Receipt by the Administrative Agent of a duly completed Compliance Certificate, as of the last day of the fiscal quarter of the Consolidated Group ended on March 31, 2021, giving pro forma effect to this Agreement and

all Credit Extensions and repayments of Indebtedness on the Closing Date, signed by a Responsible Officer of the Borrower.

- (i) Termination of Existing Debt. Receipt by the Administrative Agent of evidence that prior to or concurrently with the Closing Date: (i) all amounts owing under the Existing PNC Credit Agreement have been paid in full and the Existing PNC Credit Agreement and all commitment thereunder are terminated and (ii) the revolving commitments under the BofA Agreement are terminated and all amounts outstanding in connection therewith are paid in full.
- (j) Fees. Receipt by the Administrative Agent, the Arrangers and the Lenders of any fees required to be paid on or before the Closing Date.
- (k) Know Your Customer Requirements. The Lenders shall have completed a due diligence investigation of the Loan Parties, in scope, and with results, reasonably satisfactory to the Lender, including, OFAC, the United States Foreign Corrupt Practices Act of 1977 and “know your customer” due diligence. Upon the reasonable request of any Lender at least ten (10) days prior to the Closing Date, each Loan Party shall have provided to such Lender the documentation and other information regarding itself and any other Person so reasonably requested in connection with applicable “know your customer” and anti-money-laundering rules and regulations, including the Patriot Act, in each case at least five days prior to the Closing Date. At least five days prior to the Closing Date, if the Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, it shall deliver a Beneficial Ownership Certification in relation to the Borrower.
- (l) Attorney Costs. Unless waived by the Administrative Agent, the Borrower shall have paid all reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Administrative Agent).

Without limiting the generality of the provisions of the last paragraph of Section 10.03, for purposes of determining compliance with the conditions specified in this Section 5.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

5.02 Conditions to all Credit Extensions.

The obligation of each Lender and each L/C Issuer to honor any Request for Credit Extension is subject to the following conditions precedent:

- (a) The representations and warranties of the Borrower and each other Loan Party contained in Article VI or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) as of such earlier date, and except that for purposes of this Section 5.02, the representations and warranties contained in subsections (a) and (b) of Section 6.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 7.01.
- (b) No Default shall exist, or would result from, such proposed Credit Extension or from the application of the proceeds thereof.
- (c) The Administrative Agent and, if applicable, the applicable L/C Issuer and/or the applicable Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

Each Request for Credit Extension submitted by the Borrower shall be deemed to be a representation and warranty that the conditions specified in Sections 5.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

ARTICLE VI REPRESENTATIONS AND WARRANTIES

The Loan Parties represent and warrant to the Administrative Agent and the Lenders that:

6.01 Existence, Qualification and Power.

- (a) Each Loan Party (i) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization and (ii) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under the Loan Documents to which it is a party.
- (b) Each Loan Party (i) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to own or lease its assets and carry on its business and (ii) is in good standing under the Laws of each jurisdiction where the conduct of its business requires such qualification or license, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.02 Authorization; No Contravention.

The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party have been duly authorized by all necessary corporate or other organizational action, and do not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien (other than a Lien permitted under Section 8.01) or require any payment to be made under any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law (including, without limitation, Regulation U or Regulation X issued by the FRB); except in each case referred to in clause (b) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.03 Governmental Authorization; Other Consents.

No material approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document.

6.04 Binding Effect.

Each Loan Document constitutes a legal, valid and binding obligation of each Loan Party that is party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally.

6.05 Financial Statements; No Material Adverse Effect.

- (a) The Audited Financial Statements (i) were prepared in accordance with GAAP in effect on the preparation date thereof, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Consolidated Group as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP except as otherwise expressly noted therein; and (iii) show all material indebtedness and other liabilities, direct or contingent, of the Consolidated Group as of the date thereof, including liabilities for taxes, commitments and Indebtedness, in each case to the extent required under GAAP.
- (b) The Interim Financial Statements (i) were prepared in accordance with GAAP, except as otherwise expressly noted therein; (ii) fairly present, the financial condition of (A) the Parent Entity and its Subsidiaries on a consolidated basis and (B) Phillips Edison Grocery Center REIT II Inc. and its Subsidiaries on a consolidated basis, in each case as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to normal year-end audit adjustments; and (iii) show all material indebtedness and other liabilities, direct or contingent, of (A) the Parent Entity and its Subsidiaries on a consolidated basis and (B) Phillips Edison Grocery Center REIT II Inc. and its Subsidiaries on a consolidated basis, in each case as

of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(c) The financial statements delivered pursuant to Section 7.01(a) and (b) have been prepared in accordance with GAAP (except as may otherwise be permitted under Section 7.01(a) and (b)) and present fairly (on the basis disclosed in the footnotes to such financial statements) the consolidated financial condition, results of operations and cash flows of the Consolidated Group as of the dates thereof and for the periods covered thereby.

(d) Since March 31, 2021, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

6.06 Litigation.

There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries which if determined adversely, could reasonably be expected to have a Material Adverse Effect.

6.07 [Reserved].

6.08 Ownership of Property; Liens.

Each Loan Party has good record and marketable title to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of the Closing Date and the date of each update of Schedule 6.08 pursuant to Section 7.02, set forth on Schedule 6.08 is a list of all real property owned by the Consolidated Group with a notation as to which such real properties are Unencumbered Properties.

6.09 Environmental Compliance.

There are no violations of Environmental Laws and there are no outstanding claims with respect to Environmental Liabilities that, in either case, could reasonably be expected to have a Material Adverse Effect.

6.10 Insurance.

The properties of the Loan Parties are insured with financially sound and reputable insurance companies (which may include a captive insurance company that is an Affiliate of the Parent Entity), in such amounts, with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the applicable Loan Party operates.

6.11 Taxes.

The Loan Parties have filed all federal, state and other material tax returns and reports required to be filed, and have paid all federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against any Loan Party or any Subsidiary that would, if made, have a Material Adverse Effect. Neither any Loan Party nor any Subsidiary thereof is party to any tax sharing agreement. For the avoidance of doubt, agreements pursuant to which a Loan Party or any Subsidiary thereof agrees to make payments to one or more of its partners or members, or their Related Parties (a "Protected Party"), on account of any such Protected Party's Taxes arising from the Loan Party's or such Subsidiary's (i) sale of property, (ii) failure to allocate debt to such Protected Party, or (iii) failure to allow such Protected Party to guarantee the debt of a Loan Party or any Subsidiary thereof, or any similar agreements, shall not be considered a tax sharing agreement.

6.12 ERISA Compliance.

- (a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state laws. Each Pension Plan that is intended to be a qualified plan under Section 401(a) of the Internal Revenue Code has received a favorable determination letter from the Internal Revenue Service to the effect that the form of such Plan is qualified under Section 401(a) of the Internal Revenue Code and the trust related thereto has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) of the Internal Revenue Code or an application for such a letter is currently being processed by the Internal Revenue Service. To the best knowledge of the Loan Parties, nothing has occurred that would prevent, or cause the loss of, such tax-qualified status.
- (b) There are no pending or, to the best knowledge of the Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.
- (c) (i) No ERISA Event has occurred and neither a Loan Party nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) each Loan Party and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained; (iii) neither a Loan Party nor any ERISA Affiliate has incurred any liability to the PBGC other than for the payment of premiums, and there are no

premium payments which have become due that are unpaid; (iv) neither a Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; and (v) no Pension Plan has been terminated by the plan administrator thereof nor by the PBGC, and no event or circumstance has occurred or exists that could reasonably be expected to cause the PBGC to institute proceedings under Title IV of ERISA to terminate any Pension Plan.

- (d) No Loan Party is using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans or the Commitments.

6.13 [Reserved].

6.14 Margin Regulations; Investment Company Act.

- (a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Consolidated Group on a consolidated basis) subject to the provisions of Section 8.01 or Section 8.05 or subject to any restriction contained in any agreement or instrument between the Borrower and any Lender or any Affiliate of any Lender relating to Indebtedness and within the scope of Section 9.01(e) will be margin stock.

- (b) None of any Loan Party, any Person Controlling any Loan Party, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

6.15 Disclosure.

- (a) To the Borrower’s knowledge, no material written report, financial statement, certificate or other information furnished (other than information of a general economic or industry specific nature concerning any Loan Party) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein not misleading, in each case, in the light of the circumstances under which they were made; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed

to be reasonable at the time (it being understood and agreed that financial projections are not a guarantee of financial performance and actual results may differ from such projections and such differences may be material).

- (b) As of the Closing Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

6.16 Compliance with Laws.

Each Loan Party and each Subsidiary is in compliance with the requirements of all Laws, including without limitation, the Patriot Act, and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which the failure to comply therewith, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

6.17 Intellectual Property; Licenses, Etc.

Except as could not reasonably be expected to have a Material Adverse Effect: (a) each Loan Party owns, or possesses the legal right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights (collectively, "IP Rights") that are reasonably necessary for the operation of their respective businesses, (b) no claim has been asserted and is pending by any Person challenging or questioning the use of any IP Rights or the validity or effectiveness of any IP Rights, nor does any Loan Party know of any such claim, and (c) to the knowledge of the Loan Parties, the use of any IP Rights by any Loan Party or the granting of a right or a license in respect of any IP Rights from any Loan Party does not infringe on the rights of any Person.

6.18 Solvency.

The Loan Parties are Solvent on a consolidated basis.

6.19 OFAC.

Neither a Loan Party, nor any of its Subsidiaries, nor, to the knowledge of a Loan Party, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

6.20 REIT Status.

- (a) The Parent Entity is qualified as a REIT.
- (b) The Parent Entity is in compliance in all material respects with all provisions of the Internal Revenue Code applicable to the qualification of the Parent Entity as a REIT.

6.21 Anti-Money Laundering Laws.

None of the Loan Parties (a) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes under any applicable Law (collectively, "Anti-Money Laundering Laws"), (b) has been assessed civil penalties under any Anti-Money Laundering Laws or (c) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws. Each Loan Party has taken reasonable measures appropriate to the circumstances (in any event as required by applicable Law), to ensure that such Loan Party and its Subsidiaries each is and will continue to be in compliance with all applicable current and future Anti-Money Laundering Laws.

6.22 Anti-Corruption Laws.

The Parent Entity and its Subsidiaries have conducted their businesses in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, and other similar anti-corruption legislation in other jurisdictions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

6.23 Affected Financial Institution.

No Loan Party is an Affected Financial Institution.

6.24 Covered Entities.

No Loan Party is a Covered Entity.

ARTICLE VII
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall and, where applicable, shall cause each Subsidiary to:

7.01 Financial Statements.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent:

- (a) upon the earlier of the date that is one hundred twenty (120) days after the end of each fiscal year of the Consolidated Group and the date such information is filed with the SEC, a consolidated balance sheet of the Consolidated Group as at the end of such fiscal year, and the related consolidated statements of income or operations, changes in shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally

accepted auditing standards and shall not be subject to (i) any “going concern” or like qualification or exception or (ii) any qualification or exception as to the scope of such audit; and

- (b) (x) with respect to the fiscal quarters ending March 31, June 30 and September 30, not later than sixty (60) days after the end of each such fiscal quarter of the Consolidated Group and (y) with respect to each fiscal quarter ending December 31, not later than ninety (90) days after the end of each such fiscal quarter of the Consolidated Group, in each case, a consolidated balance sheet of the Consolidated Group as at the end of such fiscal quarter, and the related consolidated statements of income or operations, changes in shareholders’ equity and cash flows for such fiscal quarter and for the portion of the Consolidated Group’s fiscal year then ended, setting forth in each case in comparative form the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail and certified by a Responsible Officer of the Parent Entity as fairly presenting the financial condition, results of operations, shareholders’ equity and cash flows of the Consolidated Group in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes.

7.02 Certificates; Other Information.

Deliver to the Administrative Agent and each Lender, in form and detail reasonably satisfactory to the Administrative Agent and the Required Lenders:

- (a) concurrently with the delivery of the financial statements referred to in Section 7.01(b), (i) a duly completed Compliance Certificate signed a Responsible Officer of the Parent Entity and (ii) an updated Schedule 6.08, if applicable.
- (b) concurrently with the delivery of the financial statements referred to in Section 7.01(a), a certificate of its independent certified public accountants certifying such financial statements.
- (c) within 30 days after the end of each fiscal year, beginning on January 30, 2022 for the fiscal year ending December 31, 2022, an annual business plan and budget of the Consolidated Group containing, among other things, pro forma financial statements for each quarter of the next fiscal year.
- (d) promptly, and in any event within ten Business Days after receipt thereof by any Loan Party or any Subsidiary thereof, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any material investigation or possible material investigation or other inquiry by such

agency regarding financial or other operational results of any Loan Party or any Subsidiary thereof.

- (e) promptly following any request therefor, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the PATRIOT Act and the Beneficial Ownership Regulation.
- (f) as soon as available and in any event no later than concurrently with the delivery of the financial statements referred to in Section 7.02(a) (commencing with the fiscal year ending December 31, 2021), a Pricing Certificate for the most recently-ended fiscal year; provided, that, for any fiscal year the Borrower may elect not to deliver a Pricing Certificate, and if the Borrower fails to timely deliver a Pricing Certificate in accordance with this clause (f), such failure shall not constitute a Default or Event of Default (but such failure to timely deliver a Pricing Certificate shall result in the Sustainability Applicable Rate Adjustment Amount being applied as set forth in Section 2.18(c)); and
- (g) promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request (subject to legal privilege requirements in the ordinary course and customary written confidentiality obligations as long as such legal privilege requirements or confidentiality obligations were not invoked or incurred in contemplation of this Agreement or with a view to avoid providing information to the Administrative Agent or the Lenders).

Documents required to be delivered pursuant to Section 7.01(a) or (b) or Section 7.02 (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Parent Entity or the Borrower posts such documents, or provides a link thereto on its website on the Internet at the website address listed on Schedule 11.02; or (ii) on which such documents are posted on the Parent Entity’s or the Borrower’s behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

The Loan Parties hereby acknowledge that (a) the Administrative Agent and/or PNCCM may, but shall not be obligated to, make available to the Lenders and a L/C Issuer materials and/or information provided by or on behalf of the Borrower or its Affiliates hereunder (collectively, the “Borrower Materials”) by posting the Borrower Materials on Debt Domain, IntraLinks, Syndtrak or another similar electronic system (the “Platform”) and (b) certain of the Lenders (each, a “Public Lender”) may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Person’s securities. The Loan Parties hereby agree that (w) all Borrower

Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Loan Parties shall be deemed to have authorized the Administrative Agent, PNCCM and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower, its Affiliates or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 11.07); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated as “Public Side Information;” and (z) the Administrative Agent and PNCCM shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform that is not designated as “Public Side Information.”

7.03 Notices.

Promptly (and in any event, within two Business Days after a Responsible Officer obtains knowledge of the same) notify the Administrative Agent of:

- (a) the occurrence of any Default.
- (b) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect.
- (c) the occurrence of any ERISA Event.
- (d) any material change in accounting policies or financial reporting practices by a Loan Party or any Subsidiary, including any determination referred to in Section 2.10(b).
- (e) If the Parent Entity has obtained an Investment Grade Rating, any change in such Debt Rating.

Each notice pursuant to this Section 7.03(a) through (d) shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the applicable Loan Party has taken and proposes to take with respect thereto. Each notice pursuant to Section 7.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached. The Administrative Agent agrees to notify the Lenders of any notice delivered to the Administrative Agent by the Borrower pursuant to this Section 7.03.

7.04 Payment of Obligations.

Pay and discharge, as the same shall become due and payable (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Loan Party or such Subsidiary and (b) all lawful claims which, if unpaid, would by law become a Lien upon its property (other than Liens permitted under Section 8.01).

7.05 Preservation of Existence, Etc. and REIT Status.

- (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 8.04 or 8.05.
- (b) Take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.
- (c) Preserve or renew all of its registered patents, copyrights, trademarks, trade names and service marks, the non-preservation or non-renewal of which could reasonably be expected to have a Material Adverse Effect.
- (d) Maintain or cause to be maintained (as applicable) the Parent Entity's status as a REIT in compliance with all applicable provisions under the Internal Revenue Code relating to such status.

7.06 Maintenance of Properties.

Do all things reasonably required to maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted and make all necessary repairs thereto and renewals and replacements thereof, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

7.07 Maintenance of Insurance.

Maintain with financially sound and reputable insurance companies not Affiliates of a Loan Party, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons; provided, that notwithstanding the above, the Loan Parties may comply with this Section 7.07 by maintaining any such insurance with a captive insurance company that is an Affiliate of the Parent Entity.

7.08 Compliance with Laws.

Comply with the requirements of all Laws, including without limitation the Patriot Act, OFAC, Anti-Money Laundering Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

7.09 Books and Records.

Maintain proper books of record and account, (a) in which full, true and correct entries in all material respects shall be made of all financial transactions and matters involving the assets and business of the Consolidated Group to the extent required and in conformity with GAAP and (b) in material conformity with all material requirements of any Governmental Authority having regulatory jurisdiction over the Consolidated Group.

7.10 Inspection Rights.

Permit representatives of the Administrative Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom (subject to legal privilege requirements in the ordinary course and customary written confidentiality obligations as long as such legal privilege requirements or confidentiality obligations were not incurred in contemplation of this Agreement or with a view to avoid providing information to the Administrative Agent or the Lenders) and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants (provided that the Borrower shall have the opportunity to participate in any discussions with its independent public accountants), at the expense of the Borrower (subject to the limitations below) and at such reasonable times during normal business hours and as often as may be reasonably requested, upon reasonable advance notice to the Borrower; provided, however, that (a) absent the existence of an Event of Default only one such visit a year shall be at the Borrower's expense and (b) when an Event of Default exists, the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

7.11 Use of Proceeds.

Use the proceeds of the Credit Extensions (a) to refinance outstanding Indebtedness under the Existing PNC Credit Agreement and the BofA Agreement, (b) to finance working capital, capital expenditures, acquisitions, redevelopment, joint ventures, note purchases, Mezzanine Debt Investments and construction and (c) for other general corporate purposes; provided that in no event shall the proceeds of the Credit Extensions be used in contravention of any Law or of any Loan Document.

7.12 ERISA Compliance.

Do, and cause each of its ERISA Affiliates to do, each of the following: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Internal Revenue Code and other federal or state law; (b) cause each Plan that is qualified under Section 401(a) of the Internal Revenue Code to maintain such qualification; and (c) make all required contributions to any Pension Plan.

7.13 Addition of Subsidiary Guarantors.

If any Subsidiary guaranties any borrowed money Indebtedness owed by the Borrower, the Parent Entity or any other Loan Party, the Borrower shall (a) cause such Subsidiary to become a Subsidiary Guarantor by executing and delivering to the Administrative Agent a Joinder

Agreement in the form of Exhibit G or such other document as the Administrative Agent shall deem appropriate for such purpose, (b) deliver to the Administrative Agent documents of the types referred to in Sections 5.01 (b), (f) and (l) for such Person, in each case in form and substance similar to those delivered on the Closing Date and (c) provide a certificate that the representations in Section 6.01 through 6.04 inclusive are true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) as of the date of such certificate, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects (unless already qualified by materiality or Material Adverse Effect, in which case they shall be true and correct in all respects) as of such earlier date, with respect to the new Subsidiary Guarantor.

ARTICLE VIII NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

8.01 Liens.

Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a) Permitted Liens; and

(b) other Liens as long as (i) such Liens do not encumber Unencumbered Properties or the Equity Interests of the Borrower or any Subsidiary Guarantor, (ii) such Liens do not encumber assets owned by the Parent Entity or the Borrower, and (iii) the incurrence of such Lien will not cause, on a pro forma basis, a Default under the Loan Documents, including the financial covenants in Section 8.11

8.02 [Reserved].

8.03 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except:

(a) (i) Indebtedness under the Loan Documents, (ii) Indebtedness incurred under the BofA Agreement, (iii) Indebtedness incurred under the Wells Agreement, (iv) Indebtedness incurred under the KeyBank Agreement; and (v) Indebtedness incurred under the Capital One Agreement.

(b) intercompany Indebtedness among members of the Consolidated Group;

(c) obligations (contingent or otherwise) of a Loan Party or any Subsidiary existing or arising under any Swap Contract; provided that (i) such obligations are (or were) entered into by such Person in the ordinary course of business for the

purpose of directly mitigating risks associated with liabilities, commitments, investments, assets, or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for purposes of speculation or taking a “market view;” and (ii) such Swap Contract does not contain any provision exonerating the non-defaulting party from its obligation to make payments on outstanding transactions to the defaulting party;

(d) other Indebtedness as long as the incurrence of such Indebtedness will not cause, on a pro forma basis, a Default under the Loan Documents, including the financial covenants in Section 8.11; and

(e) Guaranties of the foregoing; provided that, a Subsidiary cannot guaranty borrowed money Indebtedness owed by the Parent Entity, the Borrower or any other Loan Party unless such Subsidiary is, or simultaneously becomes, a Subsidiary Guarantor as set forth in Section 7.13.

8.04 Fundamental Changes.

Merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (including, in each case, pursuant to a Delaware LLC Division); provided that, notwithstanding the foregoing provisions of this Section 8.04 (a) the Parent Entity may merge or consolidate with any of its Subsidiaries (other than the Borrower); provided that the Parent Entity shall be the continuing or surviving Person, (b) the Borrower may merge or consolidate with any of its Subsidiaries; provided that the Borrower shall be the continuing or surviving corporation, (c) any Loan Party (other than the Parent Entity or the Borrower) may merge or consolidate with any other Loan Party, (d) any non-Loan Party may merge with a Loan Party as long as the Loan Party is the continuing or surviving Person, (e) any non-Loan Party may be merged or consolidated with or into any other non-Loan Party and (f) the Permitted Reorganization and the transactions contemplated thereby may occur.

8.05 Dispositions.

Make any Disposition unless such Disposition would not, on a pro forma basis after giving effect to such Disposition, cause a Default under the Loan Documents.

8.06 Restricted Payments.

(a) Permit the Dividend Payout Ratio, as of the last day of any fiscal quarter, to exceed the FFO Percentage.

(b) Subject to the paragraph below, permit the Parent Entity, at any time an Event of Default exists, to make or declare any dividends or similar distributions without the written consent of the Administrative Agent and Required Lenders.

Notwithstanding anything in this Section 8.06 to the contrary, (i) the Parent Entity shall be permitted at all times to distribute the minimum amount of dividends necessary for the Parent

Entity to maintain its status as a REIT for U.S. federal and state income tax purposes, (ii) provided there is no continuing Event of Default under Sections 9.01(a) or (f), the Parent Entity shall be permitted at all times to pay dividends necessary for it to avoid the payment of federal or state income or excise taxes, (iii) the Borrower and its Subsidiaries may declare and make distributions on their Equity Interests in accordance with their respective Organization Documents in an amount sufficient to enable the Parent Entity to pay dividends pursuant to clauses (i) and (ii) above and (iv) the Borrower and its Subsidiaries shall be permitted to make any dividends or similar distributions that are required to be made to in order to give effect to the Permitted Reorganization.

8.07 Change in Nature of Business.

Engage in any material line of business substantially different from those lines of business conducted by the Consolidated Group on the Closing Date or any business substantially related or incidental thereto.

8.08 Transactions with Affiliates.

Enter into any transaction of any kind with any Affiliate of the Consolidated Group, whether or not in the ordinary course of business, other than (a) on fair and reasonable terms substantially as favorable to such member of the Consolidated Group as would be obtainable by such member of the Consolidated Group at the time in a comparable arm's length transaction with a Person other than an Affiliate, (b) transactions permitted under Section 8.04, (c) dividends or distributions permitted under Section 8.06, (d) transactions with a captive insurance company that is an Affiliate of the Parent Entity, (e) transactions entered into to acquire the additional Equity Interests, if any, in PECO-ARC Institutional Joint Venture I, L.P. or (f) in connection with the Permitted Reorganization.

8.09 Burdensome Agreements.

Enter into, or permit to exist, any Contractual Obligation that (a) prohibits the ability of any such Person to (i) make Restricted Payments to any Loan Party, (ii) pay any Indebtedness or other obligations owed to any Loan Party or (iii) with respect to a Loan Party, pledge its property pursuant to and to the extent required under the Loan Documents or any renewals, refinancings, exchanges, refundings or extension thereof except for (1) this Agreement and the other Loan Documents, (2) any document or instrument governing Secured Indebtedness incurred in compliance with Sections 8.01 and 8.03; provided that any such restriction contained therein relates only to the asset or assets secured in connection therewith, (3) any Lien permitted under Section 8.01 or any document or instrument governing any Lien permitted under Section 8.01; provided that any such restriction contained therein relates only to the asset or assets subject to such Lien permitted under Section 8.01, or (4) customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 8.05 pending the consummation of such sale or (b) with respect to a Loan Party, requires the grant of any security for any obligation if such property is given as security for the Obligations.

8.10 Use of Proceeds.

Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose.

8.11 Financial Covenants.

- (a) Leverage Ratio. Permit the Leverage Ratio, as of the last day of any fiscal quarter of the Consolidated Group, to be greater than sixty percent (60%), or, for a period of four consecutive fiscal quarters following a Material Acquisition, sixty-five percent (65%).
- (b) Secured Leverage Ratio. Permit the Secured Leverage Ratio, as of the last day of any fiscal quarter of the Consolidated Group, to be greater than thirty-five percent (35%), or, for a period of four consecutive fiscal quarters following a Material Acquisition, forty percent (40%).
- (c) Fixed Charge Coverage Ratio. Permit the Fixed Charge Coverage Ratio, as of the last day of any fiscal quarter of the Consolidated Group, to be less than 1.50 to 1.00.
- (d) Minimum Tangible Net Worth. If the Parent Entity does not have an Investment Grade Rating, permit Tangible Net Worth, as of the last day of any fiscal quarter of the Consolidated Group, beginning with the fiscal quarter ending June 30, 2021, to be less than the sum of (i) seventy-five percent (75%) of Tangible Net Worth as of the quarter ending March 31, 2021 plus (ii) an amount equal to seventy percent (70%) of the aggregate increases in Shareholders' Equity of the Consolidated Group occurring subsequent to the quarter ending March 31, 2021 by reason of the issuance and sale of Equity Interests of the Consolidated Group (other than any Dividend Reinvestment Proceeds), including upon any conversion of debt securities of the Parent Entity or the Borrower into such Equity Interests, minus (iii) the aggregate amount of payments made with respect to any redemption, retirement, surrender, defeasance, repurchase, purchase or other similar transaction or acquisition for value, direct or indirect, on account of any Equity Interests of the Parent Entity subsequent to the quarter ending March 31, 2021 and on or prior to the last day of the fiscal quarter of the Consolidated Group immediately following the date the Parent Entity obtained an Investment Grade Rating (the sum of (i) plus (ii) minus (iii), "Minimum Tangible Net Worth").
- (e) Maximum Unsecured Indebtedness to Unencumbered Asset Value Ratio. Permit, as of the last day of any fiscal quarter of the Consolidated Group, the ratio of (i) Unsecured Indebtedness as of such date to (ii) Unencumbered Asset Value as of the four fiscal quarter period ending on such date to be greater than sixty percent (60%) or, for a period of four consecutive fiscal quarters following a Material Acquisition, sixty-five percent (65%).

- (f) Unencumbered NOI to Interest Expense on Unsecured Indebtedness Ratio. Permit, as of the last day of any fiscal quarter of the Consolidated Group, the ratio of (i) Unencumbered NOI for the most recent four fiscal quarter period to (ii) Interest Expense incurred with respect to Unsecured Indebtedness for the most recent four fiscal quarter period to be less than 1.75 to 1.00.

8.12 Organization Documents; Fiscal Year; Legal Name, State of Formation and Form of Entity.

- (a) With respect to any Loan Party, (i) change its name, state of formation or form of organization without providing the Administrative Agent at least ten (10) Business Days prior written notice or (ii) amend, modify or change its Organization Documents in a manner adverse to the Lenders.
- (b) Change its fiscal year.

8.13 Sanctions.

Directly or indirectly, knowingly use the proceeds or any Loan, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity, to fund any activities or business with any individual or entity, or in any Designated Jurisdiction that, at the time of such funding, is the subject of any Sanctions, or in any other manner that will result in a breach by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Lead Arranger, Administrative Agent, L/C Issuer, Swing Line Lender or otherwise) of Sanctions.

8.14 Anti-Corruption Laws.

Directly or indirectly, use the proceeds of any Credit Extension for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 or other similar anti-corruption legislation in other jurisdictions.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

9.01 Events of Default.

Any of the following shall constitute an Event of Default:

- (a) Non-Payment. The Borrower or any other Loan Party fails to pay (i) when and as required to be paid herein, any amount of principal of any Loan or any L/C Obligation, or (ii) within five Business Days after the same becomes due, any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) within five Business Days after the same becomes due, any other amount payable hereunder or under any other Loan Document; or

- (b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 7.01, 7.02, 7.03, 7.05, 7.10, 7.11 or 7.13 or Article VIII or
- (c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty days; or
- (d) Representations and Warranties. Any representation or warranty made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (unless already qualified by materiality or Material Adverse Effect, in which case an Event of Default shall exist if such representation, warranty or statement of fact shall be incorrect or misleading in any respect) when made or deemed made; or
- (e) Cross-Default. (i) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness that is Recourse Debt or any Guarantee of any such Recourse Debt (in either case, other than the Obligations and Indebtedness under Swap Contracts) having an aggregate outstanding principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than Fifty Million Dollars (\$50,000,000) and such failure is not waived and continues beyond any cure period as may be specifically noted therein, or (B) fails to observe or perform any other material agreement or condition relating to any such Recourse Debt or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, in each case that is not waived, continues beyond any cure period and results in such Recourse Debt or Guarantee becoming or being declared immediately due and payable; (ii) Any Loan Party or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness that is Non-Recourse Debt or any Guarantee of any such Non-Recourse Debt having an aggregate outstanding principal amount (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement) of more than One Hundred Fifty Million Dollars (\$150,000,000) and such failure is not waived and continues beyond any cure period as may be specifically noted therein; provided, that the failure to pay any such Non-Recourse Debt when due shall not constitute an Event of Default (and such Non-Recourse Debt shall be excluded from the applicable aggregate limit referred to above) so long as the only default by the Loan Party or Subsidiary is the failure to pay such Non-Recourse Debt when due on its scheduled maturity date and the Loan

Party or Subsidiary is actively pursuing the extension or refinancing of such Non-Recourse Debt and the holder of such Non-Recourse Debt has not initiated a foreclosure of its Lien or proceedings to have a receiver appointed for the collateral securing such Non-Recourse Debt, except that (x) the deferral under this clause (ii)(A) shall not extend for more than ninety (90) days after the maturity date of such Non-Recourse Debt, subject to extension of such deferral period for an additional thirty (30) days if prior to the expiration of such initial 90 day period the Borrower has provided to the Administrative Agent reasonably satisfactory evidence that the Loan Party or Subsidiary is continuing to actively pursue such extension or refinancing; or (B) fails to observe or perform any other material agreement or condition relating to any such Non-Recourse Debt or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, in each case that is not waived, continues beyond any cure period and results in such Non-Recourse Debt or Guarantee becoming or being declared immediately due and payable; (iii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any Event of Default (as defined in such Swap Contract) as to which any Loan Party is the Defaulting Party (as defined in such Swap Contract) that is not waived and continues beyond any cure period provided therein or (B) any Termination Event (as defined in such Swap Contract) under such Swap Contract as to which any Loan Party is an Affected Party (as defined therein) and, in either event, the Swap Termination Value owed by any Loan Party as a result thereof is greater than the Threshold Amount or (iv) there exists (A) an Event of Default (as defined under the BofA Agreement) under the BofA Agreement that is not waived and continues beyond any cure period provided therein and results in such debt under the BofA Agreement becoming or being declared immediately due and payable, (B) an Event of Default (as defined under the Wells Agreement) under the Wells Agreement that is not waived and continues beyond any cure period provided therein and results in such debt under the Wells Agreement becoming or being declared immediately due and payable, (C) an Event of Default (as defined under the KeyBank Agreement) under the KeyBank Agreement that is not waived and continues beyond any cure period provided therein and results in such debt under the KeyBank Agreement becoming or being declared immediately due and payable, or (D) an Event of Default (as defined under the Capital One Agreement) under the Capital One Agreement that is not waived and continues beyond any cure period provided therein and results in such debt under the Capital One Agreement becoming or being declared immediately due and payable; or

- (f) Insolvency Proceedings, Etc. Any Loan Party institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its

property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for sixty calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for sixty calendar days, or an order for relief is entered in any such proceeding; or

- (g) Inability to Pay Debts; Attachment. (i) Any Loan Party becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within thirty days after its issue or levy; or
- (h) Judgments. There is entered against any Loan Party one or more final judgments or orders for the payment of money in an aggregate amount exceeding the Threshold Amount (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) which remains unpaid for sixty days and (i) enforcement proceedings are commenced by any creditor upon such judgment or order, or (ii) such judgment or order has not been stayed on appeal or otherwise appropriately contested in good faith; or
- (i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount in excess of the Threshold Amount, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan in an aggregate amount in excess of the Threshold Amount; or
- (j) Invalidity of Loan Documents. Any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any Loan Document; or
- (k) Change of Control. There occurs any Change of Control.

9.02 Remedies Upon Event of Default.

If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

- (a) declare the commitment of each Lender to make Loans and any obligation of a L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such commitments and obligation shall be terminated;
- (b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower;
- (c) require that the Borrower Cash Collateralize the L/C Obligations (in an amount equal to the Minimum Collateral Amount with respect thereto); and
- (d) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to any Loan Party under the Bankruptcy Code of the United States, the obligation of each Lender to make Loans and any obligation of a L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

9.03 Application of Funds.

After the exercise of remedies provided for in Section 9.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 9.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and amounts payable under Article III) payable to the Administrative Agent in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest and Letter of Credit Fees) payable to the Lenders and a L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and a L/C Issuer) arising under the Loan Documents and amounts payable under Article III, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest on the Loans and L/C Borrowings, ratably among the Lenders and a L/C Issuer in proportion to the respective amounts described in this clause Third held by them;

Fourth, to payment of that portion of the Obligations constituting (i) accrued and unpaid principal of the Loans and L/C Borrowings and (ii) breakage, termination or other payments due under any Swap Contract between and Loan Party and any Lender or Affiliate of a Lender, ratably among the Lenders, the applicable Affiliates (with respect to clause (ii)) and a L/C Issuer in proportion to the respective amounts described in this clause Fourth held by them;

Fifth, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

Subject to Sections 2.03(c) and 2.14, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Fourth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Excluded Swap Obligations with respect to any Loan Party shall not be paid with amounts received from such Loan Party or such Loan Party's assets, but appropriate adjustments shall be made with respect to payments from other Loan Parties to preserve the allocation to Obligations otherwise set forth above in this Section.

ARTICLE X ADMINISTRATIVE AGENT

10.01 Appointment and Authority.

Each of the Lenders and a L/C Issuer hereby irrevocably appoints PNC Bank to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and a L/C Issuer, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties.

10.02 Rights as a Lender.

The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with any Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

10.03 Exculpatory Provisions.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative 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 the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Administrative Agent shall not be required to take any action that, in its reasonable opinion, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may affect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief 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 such 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 the Administrative Agent or any of its Affiliates in any capacity.

The Administrative 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 the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 11.01 and 9.02) or (ii) in the absence of its own bad faith, gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given in writing to the Administrative Agent by the Borrower, a Lender or a L/C Issuer.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this

Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article V or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

10.04. Reliance by Administrative Agent.

The Administrative 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) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and 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 a L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or a L/C Issuer unless the Administrative Agent shall have received notice to the contrary from such Lender or a L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for the Loan Parties), 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.

10.05. Delegation of Duties.

The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-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 Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-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 Administrative Agent.

10.06. Resignation of Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders, the L/C Issuers and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor, which shall be a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring

Administrative Agent may (but shall not be obligated to) on behalf of the Lenders and the L/C Issuers, appoint a successor Administrative Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b). If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable Law by notice in writing to the Borrower and such Person remove such Person as the Administrative Agent and, in consultation with the Borrower, appoint a successor; provided, that if an Event of Default has occurred and is continuing, no consultation with the Borrower shall be required for any successor that is a Lender or an Affiliate of a Lender. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c). With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (1) the retiring or removed Administrative 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 the Administrative Agent on behalf of the Lenders or the L/C Issuers under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (2) except for any indemnity payments or other amounts then owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender and a L/C Issuer directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than as provided in Section 3.01(g) and other than any rights to indemnity payments or other amounts owed to the retiring or removed Administrative Agent as of the Resignation Effective Date or the Removal Effective Date, as applicable), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 11.04 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by

any of them while the retiring Administrative Agent was acting as Administrative Agent.

Any resignation by or removal of PNC Bank as Administrative Agent pursuant to this Section shall also constitute its resignation or removal as a L/C Issuer and a Swing Line Lender. If PNC Bank resigns as a L/C Issuer, it shall retain all the rights, powers, privileges and duties of a L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as a L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c). If PNC Bank resigns as a Swing Line Lender, it shall retain all the rights of a Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment by the Borrower of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be a Lender other than a Defaulting Lender), (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to PNC Bank to effectively assume the obligations of PNC Bank with respect to such Letters of Credit.

10.07. Non-Reliance on Administrative Agent and Other Lenders.

Each Lender and L/C Issuer acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and L/C Issuer also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own 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.

10.08. No Other Duties; Etc.

Anything herein to the contrary notwithstanding, none of the bookrunners, arrangers, syndication agents, documentation agents or co-agents shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender or a L/C Issuer hereunder.

10.09. Administrative Agent May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations (other than obligations under Swap Contracts or Treasury Management Agreements to which the Administrative Agent is not a party) that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, a L/C Issuer and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, a L/C Issuer and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders, a L/C Issuer and the Administrative Agent under Sections 2.03(h) and (i), 2.09 and 11.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and a L/C Issuer to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders and a L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 11.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or a L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

10.10. Collateral and Guaranty Matters.

Each Lender and L/C Issuer irrevocably authorize the Administrative Agent, at its option and in its discretion, (a) to release any Subsidiary Guarantor from its obligations under the Guaranty if such Person ceases to be required to be a Subsidiary Guarantor under Section 7.13 and (b) to release the Cash Collateral and any Lien thereon in accordance with the terms and conditions set forth in Section 2.14. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release any Subsidiary Guarantor from its obligations under the Guaranty, pursuant to this Section 10.10.

10.11. Treasury Management Agreements and Swap Contracts.

No Lender or Affiliate of a Lender that obtains the benefit of Section 9.03 or the Guaranty by virtue of the provisions hereof shall have any right to notice of any action or to consent to, direct or object to any action hereunder or under any other Loan Document (or to notice of or to consent to any amendment, waiver or modification of the provisions hereof or of the Guaranty) other than in its capacity as a Lender and, in such case, only to the extent expressly provided in the Loan Documents. Notwithstanding any other provision of this Article X to the contrary, the Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Treasury Management Agreements and Swap Contracts except to the extent expressly provided herein and unless the Administrative Agent has received written notice of such Obligations, together with such supporting documentation as the Administrative Agent may request, from the applicable

Lender or Affiliate of a Lender, as the case may be. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, Obligations arising under Treasury Management Agreements and Swap Contracts.

10.12 ERISA Matters.

(a) Each Lender (i) represents and warrants, as of the date such Person became a Lender party hereto, to, and (ii) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(A) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(B) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(C) (1) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (2) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (3) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (4) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(D) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless either (1) subclause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant as provided in subclause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y)

covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, each Arranger, and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, any Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender involved in the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

10.13 Erroneous Payments.

- (a) Each Lender hereby agrees that (i) if the Administrative Agent notifies such Lender that the Administrative Agent has determined in its sole discretion that any funds received by such Lender from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Lender (whether or not known to such Lender (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise), individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Lender shall promptly, but in no event later than two (2) Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect, and (ii) such Lender shall not assert any right or claim to the Erroneous Payment, and hereby waives any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payments received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine. A notice of the Administrative Agent to any Lender under this clause (a) shall be conclusive, absent manifest error.
- (b) Without limiting immediately preceding clause (a), each Lender hereby further agrees that if it receives an Erroneous Payment from the Administrative Agent (or any of its Affiliates) (i) that is in an amount different than (other than a *de minimis* difference), or on a different date from, that specified in a notice of payment sent by the Administrative Agent (or any of its Affiliates) with respect to such Erroneous Payment (an "Erroneous Payment Notice"), or (ii) that was not preceded or accompanied by an Erroneous Payment Notice, it shall be on notice that, in each such case, an error has been made with respect to such Erroneous Payment. Each Lender further agrees that, in each such case, or if it otherwise becomes aware an Erroneous Payment (or portion thereof) may have been sent in error, such Lender shall promptly notify the Administrative Agent of such occurrence and, upon demand from the Administrative Agent, it shall promptly, but in no event later than one (1) Business Day thereafter, return to the Administrative Agent the

amount of any such Erroneous Payment (or portion thereof) that was received by such Lender to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Overnight Bank Funding Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect.

- (c) The Borrower and each other Loan Party hereby agree that (i) in the event an Erroneous Payment (or portion thereof) is not recovered from any Lender that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights of such Lender with respect to such amount and (ii) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party.
- (d) Each party's obligations under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent or any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

10.14 No Reliance on Agent's Customer Identification Program.

Each Lender acknowledges and agrees that neither such Lender, nor any of its Affiliates, participants or assignees, may rely on the Administrative Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 1020.220 (as hereafter amended or replaced, the "CIP Regulations"), or any other anti-terrorism law, including any programs involving any of the following items relating to or in connection with any of the Loan Parties, their Affiliates or their agents, the Loan Documents or the transactions hereunder or contemplated hereby: (a) any identity verification procedures, (b) any recordkeeping, (c) comparisons with government lists, (d) customer notices or (e) other procedures required under the CIP Regulations or such other anti-terrorism law. Each Loan Party agrees to supply, on behalf of itself and its Affiliates and agents, all information requested from time to time by any Lender in connection with such Lender's customer identification program intended to comply with the CIP Regulations or any anti-terrorism law.

ARTICLE XI MISCELLANEOUS

11.01 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Required Lenders and the Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, further, that

(a) no such amendment, waiver or consent shall:

- (i) extend or increase the Commitment of a Lender (or reinstate any Commitment terminated pursuant to Section 9.02) without the written consent of such Lender whose Commitment is being extended or increased

- (it being understood and agreed that a waiver of any condition precedent set forth in Section 5.02 or of any Default or a mandatory reduction in Commitments is not considered an extension or increase in Commitments of any Lender);
- (ii) postpone any date fixed by this Agreement or any other Loan Document for any payment or mandatory prepayment of principal, interest, fees or other amounts due to the Lenders (or any of them) or any scheduled or mandatory reduction of the Commitments hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment or whose Commitments are to be reduced;
 - (iii) reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (i) of the final paragraph of this Section 11.01) any fees or other amounts payable hereunder or under any other Loan Document without the written consent of each Lender entitled to receive such payment of principal, interest, fees or other amounts; provided, however, that only the consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrower to pay interest or Letter of Credit Fees at the Default Rate;
 - (iv) change the third sentence in Section 2.12(a), Section 2.13 or Section 9.03 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly affected thereby;
 - (v) change any provision of this Section 11.01(a) or the definition of "Required Lenders" without the written consent of each Lender directly affected thereby; or
 - (vi) release the Borrower or the Parent Entity without the written consent of each Lender.
- (b) unless also signed by a L/C Issuer, no amendment, waiver or consent shall affect the rights or duties of such L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it.
 - (c) unless also signed by a Swing Line Lender, no amendment, waiver or consent shall affect the rights or duties of such Swing Line Lender under this Agreement.
 - (d) unless also signed by the Administrative Agent, no amendment, waiver or consent shall affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document.
 - (e) prior to the termination of the Aggregate Revolving Commitments, unless also signed by Lenders (other than Defaulting Lenders) holding in the aggregate at least a majority of the Aggregate Revolving Commitments, no such amendment, waiver or consent shall
 - (i) waive any Default for purposes of Section 5.02(b), (ii) amend, change, waive, discharge or terminate Section 5.02 in a manner adverse to such Lenders or (iii) amend, change or waive this Section 11.01(e).

Notwithstanding anything to the contrary herein:

- (i) the Fee Letters may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.
- (ii) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other affected Lenders shall require the consent of such Defaulting Lender.
- (iii) each Lender is entitled to vote as such Lender sees fit on any bankruptcy reorganization plan that affects the Loans, and each Lender acknowledges that the provisions of Section 1126(c) of the Bankruptcy Code of the United States supersede the unanimous consent provisions set forth herein.
- (iv) the Required Lenders shall determine whether or not to allow a Loan Party to use cash collateral in the context of a bankruptcy or insolvency proceeding and such determination shall be binding on all of the Lenders.
- (v) amendments and waivers that affect solely the Lenders under the Revolving Facility or under a tranche of Term Loans or any Incremental Term Loan (including waiver or modification of (x) conditions to extensions of credit under the Revolving Facility or the relevant Term Loan and (y) the availability and conditions to funding of any Incremental Term Loan) and do not otherwise contradict the rights of Lenders under clause (a) of this Section 11.01: (1) shall only require the consent of those Lenders holding a majority of the outstanding Commitments and Loans with respect to the Revolving Facility, tranche of Term Loans or Incremental Term Loan, as applicable and (2) any fees paid with respect to such amendment or waiver need only be offered pro rata to those Lenders whose consent is required.
- (vi) any amendment entered into in order to effectuate an increase in the Aggregate Revolving Commitments or a Term Loan or to provide an Incremental Term Loan, in each case in accordance with Section 2.16, shall only require the consent of the Lenders providing such increase or Incremental Term Loan as long as the purpose of such amendment is solely to incorporate the appropriate provisions for such increase or Incremental Term Loan.
- (vii) the Borrower may, by written notice to the Administrative Agent from time to time (and with the consent of the Administrative Agent, not to be unreasonably withheld), make one or more offers (each, a "Loan Modification Offer") to all the Lenders under the Revolving Facility or a Term Loan to make one or more amendments or modifications to allow

the maturity of such Loans of the accepting Lenders to be extended (and in connection therewith increase the Applicable Rate and/or fees payable with respect to such Loans and/or Revolving Commitments (if any) of the accepting Lenders) ("Extension Amendments") pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (x) the terms and conditions of the requested Extension Amendment and (y) the date on which such Extension Amendment is requested to become effective. Extension Amendments shall become effective only with respect to the Loans and/or Revolving Commitments of the Lenders that accept in writing the applicable Loan Modification Offer (such Lenders, the "Accepting Lenders") and, in the case of any Accepting Lender, only with respect to such Lender's Loans and/or Revolving Commitments as to which such Lender's acceptance has been made. The Borrower, each other Loan Party and each Accepting Lender shall execute and deliver to the Administrative Agent such documentation (the "Loan Amendment") as the Administrative Agent shall reasonably specify to evidence the acceptance of the Extension Amendments and the terms and conditions thereof, and the Loan Parties shall also deliver such corporate resolutions, opinions and other documents as reasonably requested by the Administrative Agent. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Loan Amendment. Each of the parties hereto hereby agrees that upon the effectiveness of any Loan Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Extension Amendment evidenced thereby and only with respect to the Loans and/or Revolving Commitments of the Accepting Lenders as to which such Lenders' acceptance has been made and shall not contradict the rights of the Lenders under clause (a) of this Section 11.01 with respect to the Loans and/or Revolving Commitments of non-Accepting Lenders.

11.02. Notices and Other Communications; Facsimile Copies.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

- (i) if to the Borrower or any other Loan Party, the Administrative Agent, a L/C Issuer or a Swing Line Lender, to the address, facsimile number, e-mail address or telephone number specified for such Person on Schedule 11.02; and
- (ii) if to any other Lender, to the address, facsimile number, e-mail address or telephone number specified in its Administrative Questionnaire (including,

as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and a L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail address and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or a L/C Issuer pursuant to Article II if such Lender or a L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, each Swing Line Lender, a L/C Issuer or the Borrower may each, 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 the Administrative 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 acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt 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; provided that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING 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 BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender, a L/C Issuer or any other Person for losses, claims, damages, liabilities or

expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of Borrower Materials or any other Information through the Internet or any telecommunications, electronic or other information transmission systems.

(d) Change of Address, Etc. Each of the Borrower, the Administrative Agent, the L/C Issuers and the Swing Line Lenders may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, facsimile or telephone number or e-mail address for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the L/C Issuers and the Swing Line Lenders. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, facsimile number and e-mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender. Furthermore, each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable Law, including United States federal and state securities Laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States federal or state securities laws.

(e) Reliance by Administrative Agent, L/C Issuers and Lenders. The Administrative Agent, the L/C Issuers and the Lenders shall be entitled to rely and act upon any notices (including telephonic or electronic Loan Notices, Letter of Credit Applications and Swing Line Loan Notices) purportedly given by or on behalf of any Loan Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Administrative Agent, a L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of a Loan Party. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent, and each of the parties hereto hereby consents to such recording.

11.03. No Waiver; Cumulative Remedies; Enforcement.

No failure by any Lender, a L/C Issuer or the Administrative Agent to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan

Documents against the Loan Parties or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Administrative Agent in accordance with Section 10.01 for the benefit of all the Lenders and a L/C Issuer; provided, however, that the foregoing shall not prohibit (a) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacity as Administrative Agent) hereunder and under the other Loan Documents, (b) each of a L/C Issuers or the Swing Line Lenders from exercising the rights and remedies that inure to its benefit (solely in its capacity as L/C Issuer or Swing Line Lender, as the case may be) hereunder and under the other Loan Documents, (c) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13), or (d) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law; and provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (i) the Required Lenders shall have the rights otherwise ascribed to the Administrative Agent pursuant to Section 10.01 and (ii) in addition to the matters set forth in clauses (b), (c) and (d) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights and remedies available to it and as authorized by the Required Lenders.

11.04. Expenses; Indemnity; and Damage Waiver.

(a) Costs and Expenses. The Loan Parties shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable and documented fees, charges and disbursements of one counsel for the Administrative Agent) in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable and documented out-of-pocket expenses incurred by a L/C Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Lender or a L/C Issuer (including the reasonable fees, charges and disbursements of one counsel for the Administrative Agent, any Lender and a L/C Issuer) taken as a whole (unless (x) a conflict exists as determined in the good faith judgment of each affected Lender or L/C Issuer, in which case(s) the reasonable and documented fees, charges and disbursements of one reasonably necessary additional counsel for each such affected Lender or L/C Issuer shall be covered, or (y) a special counsel is necessary as determined in the good faith judgment of the Administrative Agent, in which case(s) the reasonable and documented fees, charges and disbursements of one reasonably necessary special counsel for the Administrative Agent shall be covered), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during

any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender and each L/C Issuer, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of one counsel for all Indemnitees, plus, (x) in the event of a conflict of interest as determined in the good faith judgment of each affected Indemnitee, one additional counsel for all such affected Indemnitees (taken together with all similarly situated Indemnitees) and (y) in the event that a special counsel is necessary as determined in the good faith judgment of the Administrative Agent, one additional counsel for Administrative Agent), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Administrative Agent (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by a L/C 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), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by a Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to a Loan Party or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that 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 or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower or such other Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. Without limiting the provisions of Section 3.01(c), this Section 11.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by them to the Administrative Agent (or any sub-agent thereof), the L/C Issuers, the Swing Line Lenders or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the L/C Issuers, the Swing Line Lenders or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and (ii) the total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the total Revolving Credit Exposure at such time), such payment to be made severally among them based on such Lenders' Applicable Percentages (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought), provided, further that, the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), any L/C Issuer or any Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), any L/C Issuer or any Swing Line Lender in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, no Loan Party shall assert, and each Loan Party hereby waives, and acknowledges that no other Person shall have, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby. No Loan Party shall be liable for any special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of proceeds thereof.

(e) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(f) Survival. The agreements in this Section and the indemnity provisions of Section 11.02(e) shall survive the resignation of the Administrative Agent, a L/C Issuer and the Swing Line Lender, the replacement of any Lender, the termination of

the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

11.05. Payments Set Aside.

To the extent that any payment by or on behalf of any Loan Party is made to the Administrative Agent, a L/C Issuer or any Lender, or the Administrative Agent, a L/C Issuer or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent, a L/C Issuer or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender and a L/C Issuer severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and a L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

11.06. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement and the other Loan Documents shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder or thereunder without the prior written consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of subsection (b) of this Section, (ii) by way of participation in accordance with the provisions of subsection (d) of this Section or (iii) by way of pledge or assignment of a security interest subject to the restrictions of subsection (e) of this Section (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the L/C Issuers and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans (including for purposes of this subsection (b), participations in L/C Obligations and Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$5,000,000 unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's Loans and Commitments, and rights and obligations with respect thereto assigned, except that this clause (ii) shall not (A) apply to a Swing Line Lender's rights and obligations in respect of Swing Line Loans or (B) prohibit any Lender from assigning all or a portion of its rights and obligations in respect of its Revolving Commitment (and the related Revolving Loans thereunder) on a non-pro rata basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) an Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof; and

(B) the consent of the Administrative Agent, the L/C Issuers and the Swing Line Lenders (in each case, such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Revolving Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender.

- (iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee in the amount of \$3,500; provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.
- (v) No Assignment to Certain Persons. No such assignment shall be made (A) to the Borrower or any of the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B) or (C) to a natural Person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person).
- (vi) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, a L/C Issuer or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swing Line Loans in accordance with its Applicable Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become

effective under applicable Law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05 and 11.04 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Upon request, the Borrower (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with subsection (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it (or the equivalent thereof in electronic form) and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower, the Administrative Agent, L/C Issuers or Swing Line Lenders sell participations to any Person (other than a natural Person (or holding company, investment vehicle or trust for, or owned and operated for the primary benefit of a natural Person), a Defaulting Lender or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it);

provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Administrative Agent, the other Lenders and a L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.04(c) without regard to the existence of any participation.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in clauses (i) through (vii) of Section 11.01(a) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to subsection (b) of this Section (subject to the requirements and limitations therein, including the requirements under Section 3.01(e) and it being understood that the documentation required under Section 3.01(e) shall be delivered to the Lender who sells the participation); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 11.13 as if it were an assignee under paragraph (b) of this Section and (B) shall not be entitled to receive any greater payment under Sections 3.01 or 3.04, with respect to any participation, than the Lender from whom it acquired the applicable participation would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 3.06 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent

manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time a Lender acting as a L/C Issuer or Swing Line Lender assigns all of its Commitment and Loans pursuant to subsection (b) above, such Lender may, (i) upon thirty days' notice to the Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon thirty days' notice to the Borrower, resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Borrower to appoint any such successor shall affect the resignation of such Lender as L/C Issuer or Swing Line Lender, as the case may be. If a Lender resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of a L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If a Lender resigns as Swing Line Lender, it shall retain all the rights as a Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (1) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (2) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable Lender to effectively assume the obligations of such Lender with respect to such Letters of Credit.

11.07. Treatment of Certain Information; Confidentiality.

(a) Treatment of Confidential Information. Each of the Administrative Agent, the Lenders and a L/C Issuer agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its

Affiliates and to its Related Parties (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 required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (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 any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to a Loan Party and its obligations, this Agreement or payments hereunder, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (i) 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 the Administrative Agent, any Lender, a L/C Issuer or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower. For purposes of this Section, "Information" means all information received from a Loan Party or any Subsidiary relating to the Loan Parties or any Subsidiary or any of their respective businesses, other than any such information that is available to the Administrative Agent, any Lender or a L/C Issuer on a nonconfidential basis prior to disclosure by such Loan Party or any Subsidiary, provided that, in the case of information received from a Loan Party or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. 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.

(b) Non-Public Information. Each of the Administrative Agent, the Lenders and a L/C Issuer acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including United States Federal and state securities Laws.

11.08. Set-off.

If an Event of Default shall have occurred and be continuing, each Lender, a L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, a L/C Issuer or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or a L/C Issuer or their respective Affiliates, irrespective of whether or not such Lender, L/C Issuer or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender or a L/C Issuer different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided, that, in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.15 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, a L/C Issuer and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, a L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, a L/C Issuer or their respective Affiliates may have. Each Lender and a L/C Issuer agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

11.09 Interest Rate Limitation.

Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

11.10. Counterparts; Integration; Effectiveness.

This Agreement may be executed in 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 a single contract. This Agreement, the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent or a L/C Issuer, 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. Except as provided in Section 5.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received 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 facsimile or other electronic imaging means (e.g. “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart of this Agreement.

11.11 Survival of Representations and Warranties.

All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Administrative Agent and each Lender, regardless of any investigation made by the Administrative Agent or any Lender or on their behalf and notwithstanding that the Administrative Agent or any Lender may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding.

11.12 Severability.

If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 11.12, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, a L/C Issuer or the Swing Line Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

11.13. Replacement of Lenders.

If the Borrower is entitled to replace a Lender pursuant to the provisions of Section 3.06, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.06), all of its interests, rights (other than its existing rights to payments pursuant to Sections 3.01 and 3.04) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

- (a) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.06(b);
- (b) such Lender shall have received payment of an amount equal to one hundred percent (100%) of the outstanding principal of its Loans and L/C

- Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter;
 - (d) such assignment does not conflict with applicable Laws; and
 - (e) in the case of any such assignment resulting from a Non-Consenting Lender's failure to consent to a proposed change, waiver, discharge or termination with respect to any Loan Document, the applicable replacement bank, financial institution or Fund consents to the proposed change, waiver, discharge or termination; provided that the failure by such Non-Consenting Lender to execute and deliver an Assignment and Assumption shall not impair the validity of the removal of such Non-Consenting Lender and the mandatory assignment of such Non-Consenting Lender's Commitments and outstanding Loans and participations in L/C Obligations and Swing Line Loans pursuant to this Section 11.13 shall nevertheless be effective without the execution by such Non-Consenting Lender of an Assignment and Assumption.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Each party hereto agrees that (a) an assignment required pursuant to this Section 11.13 may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and (b) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to and be bound by the terms thereof; provided that, (x) following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender and (y) any such documents shall be without recourse to or warranty by the parties thereto.

Notwithstanding anything in this Section to the contrary, (i) any Lender that acts as an L/C Issuer may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such L/C Issuer (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such L/C Issuer or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such L/C Issuer) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 10.06.

11.14. Governing Law; Jurisdiction; Etc.

- (a) GOVERNING LAW. This Agreement and the other Loan Documents shall be governed by, and construed in accordance with, the law of the State of NEW YORK.
- (b) SUBMISSION TO JURISDICTION. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE ADMINISTRATIVE AGENT, ANY LENDER, THE L/C ISSUER, OR ANY RELATED PARTY OF THE FOREGOING IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY OTHER FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.
- (c) WAIVER OF VENUE. THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.
- (d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER

PROVIDED FOR NOTICES IN SECTION 11.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

11.15. Waiver of Right to Trial by Jury.

EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

11.16. Electronic Execution of Assignments and Certain Other Documents.

The words “execute,” “execution,” “signed,” “signature” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, 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.

11.17. USA PATRIOT Act.

Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrower shall, promptly following a request by the Administrative Agent or any Lender, provide all documentation and other information that the Administrative Agent or such Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

11.18. No Advisory or Fiduciary Relationship.

In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan

Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a)(i) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Arrangers, and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Administrative Agent, the Arrangers and the Lenders on the other hand, (ii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (b)(i) the Administrative Agent, each Arranger and each Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary, for the Borrower or any of Affiliates or any other Person and (ii) neither the Administrative Agent nor any Lender or Arranger has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (c) the Administrative Agent, the Arrangers and the Lenders and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and neither the Administrative Agent nor any Lender or Arranger has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases, any claims that it may have against the Administrative Agent or any Lender or Arranger with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

11.19 Acknowledgement and Consent to Bail-In of Affected 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 Lender that is an Affected 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 applicable 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 the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an Affected 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 Affected 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

the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

11.20 Acknowledgement Regarding Any Supported QFCs.

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER: PHILLIPS EDISON GROCERY CENTER

OPERATING PARTNERSHIP I, L.P.,
a Delaware limited partnership

By: Phillips Edison Grocery Center OP GP I LLC,
a Delaware limited liability company, its General
Partner

By:
Name:
Title:

PARENT ENTITY: PHILLIPS EDISON & COMPANY, INC., a Maryland
corporation

By:
Name:

Title:

ADMINISTRATIVE AGENT: PNC BANK, NATIONAL ASSOCIATION

By:

Name:
Title:

LENDERS: PNC BANK, NATIONAL ASSOCIATION
as a Lender, an L/C Issuer and a Swing Line Lender

By:
Name:
Title:

KEYBANK NATIONAL ASSOCIATION,
as a Lender, an L/C Issuer and a Swing Line Lender

By:
Name:
Title:

as a Lender

WELLS FARGO BANK, NATIONAL ASSOCIATION,

By:
Name:
Title:

JPMORGAN CHASE BANK, N.A.,

as a Lender

By:
Name:
Title:

BANK OF AMERICA, N.A.,
as a Lender

By:
Name:
Title:

CAPITAL ONE, NATIONAL ASSOCIATION,
as a Lender

By:
Name:
Title:

FIFTH THIRD BANK, NATIONAL ASSOCIATION
as a Lender

By:
Name:
Title:

REGIONS BANK,
as a Lender

By:
Name:
Title:

BMO HARRIS BANK, N.A.,
as a Lender

By:
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By:
Name:
Title:

MIZUHO BANK, LTD.,
as a Lender

By:
Name:
Title:

MORGAN STANLEY BANK, N.A.,
as a Lender

By:
Name:
Title:

FIRST HORIZON BANK,
as a Lender

By:
Name:
Title:

UNITED BANK,
as a Lender

By:
Name:
Title:

TRISTATE CAPITAL BANK,
as a Lender

By:
Name:
Title:

ASSOCIATED BANK,
as a Lender

By:
Name:
Title:

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-234393 on Form S-3D and Registration Statement Nos. 333-212876, 333-223619, and 333-245566 on Form S-8, of our report dated March 12, 2021 (July 2, 2021, as to the effects of the one-for-three reverse stock split described in Note 1), relating to the financial statements of Phillips Edison & Company, Inc. and subsidiaries appearing in this Current Report on Form 8-K dated July 2, 2021.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio
July 2, 2021

Phillips Edison & Company Executes One-For-Three Reverse Stock Split

Also reclassifies common stock into Class B common stock

CINCINNATI – July 2, 2021 - Phillips Edison & Company, Inc. (“PECO”), an internally-managed real estate investment trust (“REIT”) and one of the nation's largest owners and operators of omni-channel grocery-anchored neighborhood shopping centers, today executed a one-for-three reverse stock split of each issued and outstanding share of PECO's common stock, \$0.01 par value (the “Common Stock”), and a reclassification transaction in which each issued and outstanding share of Common Stock (following the reverse stock split) changed into a share of PECO's newly created Class B common stock, \$0.01 par value (the “Class B Common Stock”).

PECO's stockholders previously approved the reclassification transaction on June 18, 2021, and PECO's board of directors (the “Board”) approved the reverse stock split on June 14, 2021. As a result of the reverse stock split and reclassification transaction, PECO's stockholders received one share of post-split Class B Common Stock for every three shares of pre-split Common Stock they held.

The Class B Common Stock is identical to the Common Stock, including with respect to voting rights and distributions rights (i.e., monthly distributions), except that upon the six-month anniversary of the potential listing of PECO's Common Stock on a national securities exchange, or such earlier date or dates as approved by the Board (subject to certain limitations), each share of the Class B Common Stock will automatically convert into one share of listed Common Stock.

Although the reverse stock split reduced PECO's total shares of Common Stock outstanding, it had no economic impact to PECO's stockholders, as all were impacted equally and proportionally. PECO's business remains unchanged following its reverse stock split and the reclassification transaction.

About Phillips Edison & Company

Phillips Edison & Company, Inc. (“PECO”), an internally-managed REIT, is one of the nation's largest owners and operators of grocery-anchored shopping centers. PECO's diversified portfolio of well-occupied neighborhood shopping centers features a mix of national and regional retailers selling necessity-based goods and services in fundamentally strong markets throughout the United States. Through its vertically-integrated operating platform, the Company manages a portfolio of 300 shopping centers, including 278 wholly-owned centers comprising approximately 31.3 million square feet across 31 states (as of March 31, 2021). The Company remains exclusively focused on creating great grocery-anchored shopping experiences and improving the communities it serves one center at a time. For more information, please visit www.phillipsedison.com.

PECO uses, and intends to continue to use, its Investors website, which can be found at www.phillipsedison.com/investors, as a means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD.

Forward-Looking Statements

Certain statements contained in this press release of Phillips Edison & Company, Inc. (the “Company”), including statements relating to the Company's expectations regarding its reverse stock split and reclassification transaction, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” “seek,” “objective,” “goal,” “strategy,” “plan,” “focus,” “priority,” “should,” “could,” “potential,” “possible,” “look forward,” “optimistic,” or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Such statements are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. These risks include, without limitation: (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in the Company's portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv)

changes in interest rates and the availability of permanent mortgage financing; (v) competition from other available properties and the attractiveness of properties in the Company's portfolio to its tenants; (vi) the financial stability of tenants, including the ability of tenants to pay rent; (vii) changes in tax, real estate, environmental, and zoning laws; (viii) the concentration of the Company's portfolio in a limited number of industries, geographies, or investments; (ix) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including its potential or expected impact on the Company's tenants, the Company's business and the Company's view on forward trends; and (x) any of the other risks included in the Company's SEC filings. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this release.

See Part I, Item 1A. Risk Factors of the Company's 2020 Annual Report on Form 10-K, filed with the SEC on March 12, 2021, and any subsequent filings, for a discussion of some of the risks and uncertainties, although not all of the risks and uncertainties, that could cause actual results to differ materially from those presented in the Company's forward-looking statements. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this release.

Investors:

Phillips Edison & Company, Inc.
Michael Koehler, Vice President of Investor Relations
(513) 338-2743
InvestorRelations@phillipsedison.com

Source: *Phillips Edison & Company, Inc.*

###

Phillips Edison & Company Closes on \$980 Million Unsecured Credit Facility

New term loans and revolving credit facility lower interest rate and extend maturity

CINCINNATI – July 2, 2021 - Phillips Edison & Company, Inc. (“PECO”), an internally-managed real estate investment trust (“REIT”) and one of the nation’s largest owners and operators of omni-channel grocery-anchored neighborhood shopping centers, announced it has refinanced one of its term loans and secured a new revolving credit facility.

On July 2, 2021, PECO closed a new \$980 million senior unsecured credit facility (the “Facility”) led by PNC Bank, National Association as Administrative Agent. The Facility is comprised of a \$500 million revolving credit facility (the “Revolver”) and two separate \$240 million unsecured variable rate term loans (the “Term Loans”).

Proceeds from the Term Loans are being used to repay an existing term loan at a reduced interest rate. The first \$240 million term loan has a maturity in November 2025, and the second \$240 million term loan has a maturity in July 2026. Borrowings will bear interest at an annual rate of LIBOR plus 125 basis points, subject to the continuation of PECO’s covenant leverage, which rate is 40 basis points lower than the refinanced term loan that had a maturity of November 2025.

The Revolver has a maturity in January 2026, with options for PECO to extend the maturity for two additional six-month periods, replacing the previous revolving credit facility which had a maturity of October 2021. Borrowings under the Revolver will bear interest at an annual rate of LIBOR plus 135 basis points, subject to the continuation of PECO’s covenant leverage, which rate is five basis points lower than the previous revolving credit facility.

To further PECO’s environmental, social, and governance (“ESG”) initiatives, the Revolver allows for an additional one basis point margin reduction if certain ESG targets are achieved.

The Revolver syndication was led by PNC Capital Markets LLC and KeyBanc Capital Markets as Joint Bookrunners. PNC Capital Markets LLC; KeyBanc Capital Markets; BOFA Securities, Inc.; JPMorgan Chase Bank, N.A.; and Wells Fargo Securities, LLC serve as Joint Lead Arrangers for the Revolver. PNC Bank, National Association serves as Administrative Agent. KeyBank National Association; BOFA Securities, Inc.; JPMorgan Chase Bank, N.A.; and Wells Fargo Bank, National Association act as Co-Syndication Agents for the Revolver. BMO Harris Bank, N.A.; Capital One, National Association; Fifth Third Bank, National Association; Morgan Stanley Senior Funding, Inc.; and Regions Bank act as Co-Documentation Agents for the Revolver. Mizuho Bank, Ltd and U.S. Bank National Association also participate in the Revolver. PNC Capital Markets LLC serves as Sustainability Agent for the Revolver.

The Term Loans syndication was led by PNC Capital Markets LLC; BMO Capital Markets Corp.; Capital One, National Association; Fifth Third Securities, Inc.; and Regions Capital Markets as Joint Bookrunners and Joint Lead Arrangers. PNC Bank, National Association serves as Administrative Agent. BMO Harris Bank, N.A.; Capital One, National Association; Fifth Third Bank, National Association; and Regions Bank act as Co-Syndication Agents for the Term Loans. Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Morgan Stanley Senior Funding, Inc.; Wells Fargo Bank, National Association; KeyBank National Association; Mizuho Bank, Ltd.; First Horizon Bank; United Bank; TriState Capital Bank; Associated Bank also participate in the Term Loans.

About Phillips Edison & Company

Phillips Edison & Company, Inc. (“PECO”), an internally-managed REIT, is one of the nation’s largest owners and operators of grocery-anchored shopping centers. PECO’s diversified portfolio of well-occupied neighborhood shopping centers features a mix of national and regional retailers selling necessity-based goods and services in fundamentally strong markets throughout the United States. Through its vertically-integrated operating

platform, PECO manages a portfolio of 300 shopping centers, including 278 wholly-owned centers comprising approximately 31.3 million square feet across 31 states (as of March 31, 2021). The Company remains exclusively focused on creating great grocery-anchored shopping experiences and improving the communities it serves one center at a time. For more information, please visit www.phillipsedison.com.

PECO uses, and intends to continue to use, its Investors website, which can be found at www.phillipsedison.com/investors, as a means of disclosing material nonpublic information and for complying with its disclosure obligations under Regulation FD.

Forward-Looking Statements

Certain statements contained in this press release of Phillips Edison & Company, Inc. (the "Company"), including statements relating to the Company's expectations regarding its term loans and revolving credit facility, may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in those acts. Such forward-looking statements can generally be identified by the Company's use of forward-looking terminology such as "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," "seek," "objective," "goal," "strategy," "plan," "focus," "priority," "should," "could," "potential," "possible," "look forward," "optimistic," or other similar words. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Such statements are subject to certain risks and uncertainties, including known and unknown risks, which could cause actual results to differ materially from those projected or anticipated. These risks include, without limitation: (i) changes in national, regional, or local economic climates; (ii) local market conditions, including an oversupply of space in, or a reduction in demand for, properties similar to those in the Company's portfolio; (iii) vacancies, changes in market rental rates, and the need to periodically repair, renovate, and re-let space; (iv) changes in interest rates and the availability of permanent mortgage financing; (v) competition from other available properties and the attractiveness of properties in the Company's portfolio to its tenants; (vi) the financial stability of tenants, including the ability of tenants to pay rent; (vii) changes in tax, real estate, environmental, and zoning laws; (viii) the concentration of the Company's portfolio in a limited number of industries, geographies, or investments; (ix) the economic, political and social impact of, and uncertainty relating to, the COVID-19 pandemic, including its potential or expected impact on the Company's tenants, the Company's business and the Company's view on forward trends; and (x) any of the other risks included in the Company's SEC filings. Therefore, such statements are not intended to be a guarantee of the Company's performance in future periods. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this release.

See Part I, Item 1A. Risk Factors of the Company's 2020 Annual Report on Form 10-K, filed with the SEC on March 12, 2021, and any subsequent filings, for a discussion of some of the risks and uncertainties, although not all of the risks and uncertainties, that could cause actual results to differ materially from those presented in the Company's forward-looking statements. Except as required by law, the Company does not undertake any obligation to update or revise any forward-looking statements contained in this release.

Investors:

Phillips Edison & Company, Inc.
Michael Koehler, Vice President of Investor Relations
(513) 338-2743
InvestorRelations@phillipsedison.com

Source: *Phillips Edison & Company, Inc.*

###

EXPLANATORY NOTE

This Exhibit 99.3 contains certain retrospective revisions that have been made to the consolidated financial statements of Phillips Edison & Company, Inc. (the "Company") that were previously contained in its Annual Report on Form 10-K for the year ended December 31, 2020 (the "2020 Form 10-K") to reflect a reverse stock split. The Company has updated and revised the financial statements and footnotes that were contained in the 2020 Form 10-K to reflect the retrospective effect of the reverse stock split.

Revisions to the 2020 Form 10-K included in this Exhibit 99.3 as noted above supersede the corresponding portions of the 2020 Form 10-K. All other information in the 2020 Form 10-K remains unchanged. This Exhibit 99.3 does not modify or update the disclosures therein in any way, nor does it reflect any subsequent information or events, other than as required to reflect the changes described above.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Phillips Edison & Company, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Phillips Edison & Company, Inc. and subsidiaries (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations and comprehensive (loss) income, equity, and cash flows, for each of the three years in the period ended December 31, 2020, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Investment in Real Estate – Evaluation of Impairment – Refer to Notes 2 and 17 to the financial statements.*Critical Audit Matter Description*

The Company's evaluation for impairment of its investment in real estate involves an initial assessment of each real estate asset to determine whether events or changes in circumstances exist that may indicate that the carrying amount of a real estate asset is no longer recoverable. Possible indicators of impairment may include changes in market conditions; significant decreases in a real estate asset's occupancy, rental income, operating income, or market value; declines in tenant performance; tenant bankruptcies; changes to lease structures; or a planned disposition in which a real estate asset's fair value is less than its current carrying value, among others. When an indicator of potential impairment exists, the Company evaluates the real estate asset for impairment by comparing undiscounted future cash flows expected to be generated over the holding period of the real estate asset to its respective carrying amount. If the carrying amount of the real estate asset exceeds its undiscounted future cash flows, an analysis is performed to determine the fair value of the real estate asset for measurement of impairment.

The Company makes significant assumptions, the most critical of which involve assessments of market conditions, hold periods, and market values of its real estate assets, to identify those with potential impairment. Changes in these assumptions could have a significant impact on which real estate assets are identified for further analysis. For a real estate asset with an identified indicator of potential impairment, the Company makes significant estimates and assumptions to project the real estate asset's undiscounted future cash flows expected to be generated over the Company's remaining holding period. Estimates and assumptions made include those related to the real estate asset's market rent growth and terminal capitalization rates, and assumptions related to tenant activity, such as future lease signings and renewals. In the event that a real estate asset is not recoverable based on the results of the undiscounted cash flow analysis, the Company will adjust the real estate asset to its fair value based upon discounted cash flow or direct capitalization models, third-party appraisals, or broker selling estimates or sale agreements, when available, and recognize an impairment loss for the carrying amount in excess of fair value.

Based on the Company's impairment analysis, certain real estate assets were identified as possessing impairment indicators and were then subject to an undiscounted cash flow test. Based on the results of the undiscounted cash flow tests, certain real estate assets were determined to be unrecoverable by the Company. An impairment loss of approximately \$2.4 million was recognized during the year ended December 31, 2020 on those unrecoverable real estate assets.

We identified the identification and analysis of impairment indicators for real estate assets and the impairment of real estate assets as a critical audit matter because of (1) the significant assumptions management makes when identifying and analyzing indicators to determine whether events or changes in circumstances have occurred indicating that the carrying amounts of real estate assets may not be recoverable and (2) for those real estate assets where indications of impairment have been

identified, the significant estimates and assumptions management makes to estimate the undiscounted cash flows of real estate assets, and for those real estate assets that are not recoverable, the significant estimates and assumptions management makes to determine the fair value of the real estate assets. A high degree of auditor judgment was required when performing audit procedures to evaluate (1) whether management appropriately identified and analyzed impairment indicators, (2) the reasonableness of management's undiscounted future cash flows analysis, and (3) the determination of fair value for unrecoverable real estate assets.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the identification and analysis of real estate assets for possible indications of impairment, and our procedures related to the estimate of future undiscounted cash flows and the determination of fair value for unrecoverable real estate assets, included the following, among others:

- We evaluated the Company's identification and analysis of impairment indicators by:
 - Searching for adverse asset-specific and market conditions through review of third-party industry reports, real estate industry news sources, and websites and financial reports of key anchor tenants across the portfolio, among other sources.
 - Independently evaluating key impairment indicators, such as projected net operating income and changes in occupancy of each real estate asset, and comparing the results of our analysis to the indicators identified by management.
 - Reviewing management's specific real estate asset disposition plans and assessing for impairment any real estate asset with potential sales prices below the recorded real estate asset value.
- We evaluated the Company's estimate of undiscounted future cash flows and the determination of fair value for unrecoverable real estate assets by:
 - Comparing the projections included in management's estimate of future undiscounted cash flows to the Company's historical results and external market sources.
 - Evaluating whether the impacts caused by the COVID-19 pandemic on a real estate asset's cash flows were properly considered in the Company's cash flow projections, including the projected hold period, impact of rent deferrals and concessions, probability of lease renewals and execution of new leases, and operational health of tenant businesses.
 - Assessing the market rent growth rate and terminal capitalization rate used to determine the residual value of the real estate asset upon future sale against third-party industry reports and recent comparable sales information.
 - Discussing with management the assumptions used in the Company's valuation models and evaluating the consistency of the assumptions used with evidence obtained in other areas of the audit.
 - Evaluating the source information used by management when determining the fair value of a real estate asset based on broker selling estimates or sale agreements.

/s/ Deloitte & Touche LLP

Cincinnati, Ohio
March 12, 2021
(July 2, 2021, as to the effects of the one-for-three reverse stock split described in Note 1)

We have served as the Company's auditor since 2009.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2019
(In thousands, except per share amounts)

	2020	2019
ASSETS		
Investment in real estate:		
Land and improvements	\$ 1,549,362	\$ 1,552,562
Building and improvements	3,237,986	3,196,762
In-place lease assets	441,683	442,729
Above-market lease assets	66,106	65,946
Total investment in real estate assets	5,295,137	5,257,999
Accumulated depreciation and amortization	(941,413)	(731,560)
Net investment in real estate assets	4,353,724	4,526,439
Investment in unconsolidated joint ventures	37,366	42,854
Total investment in real estate assets, net	4,391,090	4,569,293
Cash and cash equivalents	104,296	17,820
Restricted cash	27,641	77,288
Goodwill	29,066	29,066
Other assets, net	126,470	128,690
Real estate investment and other assets held for sale	—	6,038
Total assets	\$ 4,678,563	\$ 4,828,195
LIABILITIES AND EQUITY		
Liabilities:		
Debt obligations, net	\$ 2,292,605	\$ 2,354,099
Below-market lease liabilities, net	101,746	112,319
Earn-out liability	22,000	32,000
Deferred income	14,581	15,955
Derivative liability	54,759	20,974
Accounts payable and other liabilities	176,943	124,054
Total liabilities	2,662,634	2,659,401
Commitments and contingencies (Note 12)	—	—
Equity:		
Preferred stock, \$0.01 par value per share, 10,000 shares authorized, zero shares issued and outstanding at December 31, 2020 and 2019	—	—
Common stock, \$0.01 par value per share, 1,000,000 shares authorized, 93,279 and 96,349 shares issued and outstanding at December 31, 2020 and 2019, respectively	2,798	2,890
Additional paid-in capital ("APIC")	2,739,358	2,779,130
Accumulated other comprehensive loss ("AOCI")	(52,306)	(20,762)
Accumulated deficit	(999,491)	(947,252)
Total stockholders' equity	1,690,359	1,814,006
Noncontrolling interests	325,570	354,788
Total equity	2,015,929	2,168,794
Total liabilities and equity	\$ 4,678,563	\$ 4,828,195

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018
(In thousands, except per share amounts)

	2020	2019	2018
Revenues:			
Rental income	\$ 485,483	\$ 522,270	\$ 395,790
Fees and management income	9,820	11,680	32,926
Other property income	2,714	2,756	1,676
Total revenues	498,017	536,706	430,392
Operating Expenses:			
Property operating	87,490	90,900	77,209
Real estate taxes	67,016	70,164	55,335
General and administrative	41,383	48,525	50,412
Depreciation and amortization	224,679	236,870	191,283
Impairment of real estate assets	2,423	87,393	40,782
Total operating expenses	422,991	533,852	415,021
Other:			
Interest expense, net	(85,303)	(103,174)	(72,642)
Gain on sale or contribution of property, net	6,494	28,170	109,300
Transaction expenses	—	—	(3,331)
Other income (expense), net	9,245	(676)	(1,723)
Net income (loss)	5,462	(72,826)	46,975
Net (income) loss attributable to noncontrolling interests	(690)	9,294	(7,837)
Net income (loss) attributable to stockholders	\$ 4,772	\$ (63,532)	\$ 39,138
Earnings per common share (Note 15):			
Net income (loss) per share attributable to stockholders - basic	\$ 0.05	\$ (0.67)	\$ 0.60
Net income (loss) per share attributable to stockholders - diluted	\$ 0.05	\$ (0.67)	\$ 0.59
Comprehensive (loss) income:			
Net income (loss)	\$ 5,462	\$ (72,826)	\$ 46,975
Other comprehensive loss:			
Change in unrealized value on interest rate swaps	(33,820)	(38,274)	(4,156)
Comprehensive (loss) income	(28,358)	(111,100)	42,819
Net (income) loss attributable to noncontrolling interests	(690)	9,294	(7,837)
Change in unrealized value on interest rate swaps attributable to noncontrolling interests	4,351	5,150	22
Reallocation of comprehensive loss upon conversion of noncontrolling interests	(2,075)	—	—
Comprehensive (loss) income attributable to stockholders	\$ (26,772)	\$ (96,656)	\$ 35,004

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019, AND 2018
(In thousands, except per share amounts)

	Common Stock		APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Shares	Amount						
Balance at January 1, 2018	61,744	\$ 1,952	\$ 1,629,130	\$ 16,496	\$ (601,238)	\$ 1,046,240	\$ 432,442	\$ 1,478,682
Issuance of common stock for acquisition	31,817	955	1,053,790	—	—	1,054,745	—	1,054,745
Dividend reinvestment plan ("DRIP")	1,332	40	44,031	—	—	44,071	—	44,071
Share repurchases	(1,627)	(49)	(53,709)	—	—	(53,758)	—	(53,758)
Change in unrealized value on interest rate swaps	—	—	—	(4,134)	—	(4,134)	(22)	(4,156)
Common distributions declared, \$2.010 per share	—	—	—	—	(129,945)	(129,945)	—	(129,945)
Distributions to noncontrolling interests	—	—	—	—	—	—	(28,661)	(28,661)
Share-based compensation	2	—	1,783	—	—	1,783	3,315	5,098
Other	—	—	(154)	—	—	(154)	—	(154)
Net income	—	—	—	—	39,138	39,138	7,837	46,975
Balance at December 31, 2018	93,268	2,798	2,674,871	12,362	(692,045)	1,997,986	414,911	2,412,897
Adoption of Accounting Standards Codification Topic 842, Leases	—	—	—	—	(528)	(528)	—	(528)
Balance at January 1, 2019 as adjusted	93,268	2,798	2,674,871	12,362	(692,573)	1,997,458	414,911	2,412,369
Issuance of common stock for acquisition, net	1,505	45	49,891	—	—	49,936	—	49,936
DRIP	2,029	60	67,367	—	—	67,427	—	67,427
Share repurchases	(1,104)	(33)	(35,930)	—	—	(35,963)	—	(35,963)
Change in unrealized value on interest rate swaps	—	—	—	(33,124)	—	(33,124)	(5,150)	(38,274)
Common distributions declared, \$2.010 per share	—	—	—	—	(191,147)	(191,147)	—	(191,147)
Distributions to noncontrolling interests	—	—	—	—	—	—	(30,444)	(30,444)
Share-based compensation	22	1	2,051	—	—	2,052	5,664	7,716
Conversion of noncontrolling interests	629	19	20,880	—	—	20,899	(20,899)	—
Net loss	—	—	—	—	(63,532)	(63,532)	(9,294)	(72,826)
Balance at December 31, 2019	96,349	2,890	2,779,130	(20,762)	(947,252)	1,814,006	354,788	2,168,794
DRIP	479	14	15,926	—	—	15,940	—	15,940
Share repurchases	(4,582)	(138)	(80,260)	—	—	(80,398)	—	(80,398)
Change in unrealized value on interest rate swaps	—	—	—	(29,469)	—	(29,469)	(4,351)	(33,820)
Common distributions declared, \$0.588 per share	—	—	—	—	(57,011)	(57,011)	—	(57,011)
Distributions to noncontrolling interests	—	—	—	—	—	—	(8,255)	(8,255)
Share-based compensation	36	2	3,708	—	—	3,710	2,151	5,861
Conversion of noncontrolling interests	997	30	18,056	—	—	18,086	(18,086)	—
Reallocation of operating partnership interests	—	—	3,442	(2,075)	—	1,367	(1,367)	—
Other	—	—	(644)	—	—	(644)	—	(644)
Net income	—	—	—	—	4,772	4,772	690	5,462
Balance at December 31, 2020	93,279	\$ 2,798	\$ 2,739,358	\$ (52,306)	\$ (999,491)	\$ 1,690,359	\$ 325,570	\$ 2,015,929

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020, 2019 AND 2018
(In thousands)

	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 5,462	\$ (72,826)	\$ 46,975
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization of real estate assets	218,738	231,023	177,504
Impairment of real estate assets	2,423	87,393	40,782
Depreciation and amortization of corporate assets	5,941	5,847	13,779
Net amortization of above- and below-market leases	(3,173)	(4,185)	(3,949)
Amortization of deferred financing expenses	4,975	5,060	4,682
Amortization of debt and derivative adjustments	2,444	7,514	(625)
Loss (gain) on extinguishment or modification of debt, net	4	2,238	(93)
Gain on sale or contribution of property, net	(6,494)	(28,170)	(109,300)
Change in fair value of earn-out liability and derivatives	(10,000)	(7,500)	2,393
Straight-line rent	(3,325)	(9,079)	(5,112)
Share-based compensation	5,861	7,716	5,098
Other impairment charges	359	9,661	—
Return on investment in unconsolidated joint ventures	1,962	3,922	—
Other	1,287	540	1,039
Changes in operating assets and liabilities:			
Other assets, net	(6,945)	1,271	(7,334)
Accounts payable and other liabilities	(8,943)	(13,550)	(12,548)
Net cash provided by operating activities	210,576	226,875	153,291
CASH FLOWS FROM INVESTING ACTIVITIES:			
Real estate acquisitions	(41,482)	(71,722)	(87,068)
Capital expenditures	(63,965)	(75,492)	(48,980)
Proceeds from sale of real estate	57,902	223,083	78,654
Distributions and proceeds from unconsolidated joint ventures	3,453	5,310	162,046
Acquisition of REIT III, net of cash acquired	—	(16,996)	—
Acquisition of REIT II, net of cash acquired	—	—	(363,519)
Net cash (used in) provided by investing activities	(44,092)	64,183	(258,867)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from revolving credit facility	255,000	122,641	475,357
Payments on revolving credit facility	(255,000)	(196,000)	(463,567)
Proceeds from mortgages and loans payable	—	260,000	622,500
Payments on mortgages and loans payable	(64,848)	(275,710)	(301,669)
Payments on deferred financing expenses	(130)	(3,696)	(7,655)
Distributions paid, net of DRIP	(49,331)	(123,135)	(80,728)
Distributions to noncontrolling interests	(9,435)	(29,679)	(28,650)
Repurchases of common stock	(5,267)	(34,675)	(53,153)
Other	(644)	—	—
Net cash (used in) provided by financing activities	(129,655)	(280,254)	162,435
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	36,829	10,804	56,859
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:			
Beginning of year	95,108	84,304	27,445
End of year	\$ 131,937	\$ 95,108	\$ 84,304
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS			
Cash and cash equivalents	\$ 104,296	\$ 17,820	\$ 16,791
Restricted cash	27,641	77,288	67,513
Cash, cash equivalents, and restricted cash at end of year	\$ 131,937	\$ 95,108	\$ 84,304

	2020	2019	2018
SUPPLEMENTAL CASH FLOW DISCLOSURE, INCLUDING NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Cash paid for interest	\$ 78,521	\$ 89,373	\$ 67,556
Cash paid (refund) for income taxes, net	947	589	(146)
Obligation for shares tendered pursuant to a tender offer	77,642	—	—
Right-of-use ("ROU") assets obtained in exchange for new lease liabilities	561	4,772	739
Accrued capital expenditures	4,394	6,299	2,798
Change in distributions payable	(8,260)	585	5,146
Change in distributions payable - noncontrolling interests	(1,180)	765	11
Change in accrued share repurchase plan obligation	(2,511)	1,288	605
Distributions reinvested	15,940	67,427	44,071
Fair value of assumed debt from individual real estate acquisitions	—	—	11,877
Debt contributed to joint venture	—	—	175,000
Property contributed to joint venture, net	—	—	273,790
Amounts related to the merger of GRP I and GRP II:			
Ownership interest in fair value of assets assumed	5,062	—	—
Ownership interest in GRP II contributed to GRP I	(5,105)	—	—
Amounts related to the acquisition of REIT III and REIT II:			
Fair value of assumed debt	—	—	464,462
Fair value of equity issued	—	49,936	1,054,745
Net settlement of related party receivables	—	2,246	—
Derecognition of management contracts intangible asset and related party investment	—	1,601	30,428

See notes to consolidated financial statements.

Phillips Edison & Company, Inc.
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2020, 2019, and 2018

1. ORGANIZATION

Phillips Edison & Company, Inc. ("we," the "Company," "PECO," "our," or "us") was formed as a Maryland corporation in October 2009. Substantially all of our business is conducted through Phillips Edison Grocery Center Operating Partnership I, L.P., (the "Operating Partnership"), a Delaware limited partnership formed in December 2009. We are a limited partner of the Operating Partnership, and our wholly owned subsidiary, Phillips Edison Grocery Center OP GP I LLC, is the sole general partner of the Operating Partnership.

We are a real estate investment trust ("REIT") that invests primarily in well-occupied, grocery-anchored, neighborhood and community shopping centers that have a mix of creditworthy national, regional, and local retailers that sell necessity-based goods and services in strong demographic markets throughout the United States. In addition to managing our own shopping centers, our third-party investment management business provides comprehensive real estate and asset management services to two institutional joint ventures, in which we retain a partial ownership interest, and one private fund (collectively, the "Managed Funds").

On October 1, 2020, Grocery Retail Partners I LLC ("GRP I"), a joint venture with Northwestern Mutual Life Insurance Company ("Northwestern Mutual") in which we own an equity interest, acquired Grocery Retail Partners II LLC ("GRP II"), an additional joint venture with Northwestern Mutual in which we owned an equity interest. Our ownership in the combined entity was adjusted upon consummation of the transaction, and we own approximately a 14% interest in GRP I as a result of the acquisition.

In November 2018, we completed a merger (the "Merger") with Phillips Edison Grocery Center REIT II, Inc. ("REIT II"), a public non-traded REIT that was advised and managed by us (see Note 4). In the same month, we also contributed or sold 17 properties in the formation of GRP I; see Note 7 for more detail.

As of December 31, 2020, we wholly-owned 283 real estate properties. Additionally, we owned a 20% equity interest in Necessity Retail Partners ("NRP"), a joint venture that owned five properties, and a 14% interest in GRP I, which owned 20 properties.

The consolidated financial statements and accompanying footnotes give effect to a one-for-three reverse stock split of the Company's common stock which took place on July 2, 2021. In addition, the consolidated financial statements and accompanying footnotes give effect to a corresponding reverse split of our Operating Partnership's units, or "OP units". As a result of the reverse stock and OP unit split, every three shares of our common stock and OP units have been automatically combined and converted into one issued and outstanding share of common stock or OP unit, as applicable, rounded to the nearest 1/100th share or OP unit. The reverse stock and OP unit splits impact all classes of common stock and OP units proportionately and resulted in no impact on any stockholder's or limited partner's percentage ownership of all issued and outstanding common stock or OP units. These transactions are collectively referred to as the "reverse stock split".

All share and per share data included in these consolidated financial statements and accompanying footnotes give retroactive effect to the reverse stock split.

Additionally, we have effected a reclassification transaction by filing an amendment to our charter, which was previously approved by our stockholders, in which each issued and outstanding share of our common stock was changed into one share of our newly created class of Class B common stock. Our Class B common stock is identical to our common stock that will be offered in the pending offering, except that (i) we do not intend to list our Class B common stock on a national securities exchange in connection with the pending offering, and (ii) upon the six-month anniversary of the listing of our common stock for trading on a national securities exchange (or such earlier date or dates as may be approved by our Board in certain circumstances with respect to all or any portion of the outstanding shares of our Class B common stock), each share of our Class B common stock will automatically, and without any stockholder action, convert into one share of our listed common stock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of the significant accounting estimates and policies that management believes are important to the preparation of our consolidated financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by management. For example, significant estimates and assumptions have been made with respect to the useful lives of assets, remaining hold periods of assets, recoverable amounts of receivables, and other fair value measurement assessments required for the preparation of the consolidated financial statements. As a result, these estimates are subject to a degree of uncertainty.

During the first quarter of 2020, a novel coronavirus ("COVID-19") began spreading globally, with the outbreak being classified as a pandemic by the World Health Organization on March 11, 2020. Because of the adverse economic conditions that exist as a result of the impacts of the COVID-19 pandemic, it is possible that the estimates and assumptions that have been utilized in the preparation of the consolidated financial statements could change significantly. Specifically, as it relates to our business, the current economic situation resulted in temporary tenant closures at our shopping centers, often as a result of "stay-at-home" government mandates which limited travel and movement of the general public to essential activities only and required all non-essential businesses to close.

Temporary closures of tenant spaces at our centers peaked in April 2020 and have significantly decreased as states reduced or removed restrictions on business operations and the travel and movement of the general public. Certain tenants remain temporarily closed, have since closed after reopening, are limiting the number of customers allowed in their stores, or have modified their operations in other ways that may impact their profitability, either as a result of government mandates or self-elected efforts to reduce the spread of COVID-19. These actions could result in increased permanent store closings and could reduce the demand for leasing space in our shopping centers and result in a decline in occupancy and rental revenues in our estate portfolio. All of this activity impacts our estimates around the collectibility of revenue and valuation of real estate assets, goodwill and other intangible assets, and certain liabilities, among others.

Basis of Presentation and Principles of Consolidation—The accompanying consolidated financial statements include our accounts and the accounts of the Operating Partnership and its wholly-owned subsidiaries (over which we exercise financial and operating control). The financial statements of the Operating Partnership are prepared using accounting policies consistent with our accounting policies. All intercompany balances and transactions are eliminated upon consolidation.

Use of Estimates—The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. For example, significant estimates and assumptions have been made with respect to the useful lives of assets; remaining hold periods of assets; recoverable amounts of receivables; initial valuations of tangible and intangible assets and liabilities, including goodwill, and related amortization periods of deferred costs and intangibles, particularly with respect to property acquisitions; the valuation and nature of derivatives and their effectiveness as hedges; valuations of contingent consideration; and other fair value measurement assessments required for the preparation of the consolidated financial statements. Actual results could differ from those estimates.

Partially-Owned Entities—If we determine that we are an owner in a variable-interest entity (“VIE”), and we hold a controlling financial interest, then we will consolidate the entity as the primary beneficiary. For a partially-owned entity determined not to be a VIE, we analyze rights held by each partner to determine which would be the consolidating party. We will generally consolidate entities (in the absence of other factors when determining control) when we have over a 50% ownership interest in the entity. We will assess our interests in VIEs on an ongoing basis to determine whether or not we are the primary beneficiary. However, we will also evaluate who controls the entity even in circumstances in which we have greater than a 50% ownership interest. If we do not control the entity due to the lack of decision-making abilities, we will not consolidate the entity. We have determined that the Operating Partnership is considered a VIE. We are the primary beneficiary of the VIE and our partnership interest is considered a majority voting interest. As such, we have consolidated the Operating Partnership and its wholly-owned subsidiaries. Further, as we hold a majority voting interest in the Operating Partnership, we qualify for the exemption from providing certain of the disclosure requirements associated with variable interest entities.

Additionally, an Internal Revenue Code (“IRC”) Section 1031 like-kind exchange (“Section 1031 Exchange”) entails selling one property and reinvesting the proceeds in one or more properties that are similar in nature, character, or class within 180 days. A reverse Section 1031 Exchange occurs when one or more properties is purchased prior to selling one property to be matched in the like-kind exchange, during which time legal title to the purchased property is held by an intermediary. Because we retain essentially all of the legal and economic benefits and obligations related to the acquisition, we consider the purchased property in a reverse Section 1031 Exchange to be a VIE, and therefore, we will consolidate the entity as the primary beneficiary in these instances.

Noncontrolling Interests—Noncontrolling interests represent the portion of equity that we do not own in the entities we consolidate. We classify noncontrolling interests within permanent equity on our consolidated balance sheets. The amounts of consolidated net earnings attributable to us and to the noncontrolling interests are presented separately on our consolidated statements of operations and comprehensive (loss) income, also referred to herein as our “consolidated statements of operations”. For additional information regarding noncontrolling interests, refer to Note 13.

Cash and Cash Equivalents—We consider all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents may include cash and short-term investments. Short-term investments are stated at cost, which approximates fair value and may consist of investments in money market accounts and money market funds. From time to time, the cash and cash equivalent balances at one or more of our financial institutions may exceed the Federal Depository Insurance Corporation coverage.

Restricted Cash—Restricted cash primarily consists of cash restricted for the purpose of facilitating a Section 1031 Exchange, escrowed tenant improvement funds, real estate taxes, capital improvement funds, insurance premiums, and other amounts required to be escrowed pursuant to loan agreements. As of December 31, 2020 and 2019, we had two and six properties sold, respectively, as part of facilitating a Section 1031 Exchange that remained open at the end of the year. The net proceeds of these sales held as restricted cash with a qualified intermediary totaled \$10.3 million and \$22.4 million, respectively. The \$10.3 million held as restricted cash as of December 31, 2020 has since been released. As of December 31, 2019, we had \$38.1 million of restricted cash associated with asset substitutions related to one of our secured debt facilities to facilitate the sale of one of our shopping centers. This cash was released in January 2020.

Investment in Property and Lease Intangibles—We apply Accounting Standards Codification (“ASC”) Topic 805: *Business Combinations* (“ASC 805”) when evaluating any purchases of real estate. Under this guidance, generally our real estate acquisition activity is not considered a business combination and is instead classified as an asset acquisition. As a result, most acquisition-related costs are capitalized and amortized over the life of the related assets, and there is no recognition of goodwill. None of our real estate acquisitions in 2020 and 2019 met the definition of a business; therefore, we accounted for all as asset acquisitions.

Real estate assets are stated at cost less accumulated depreciation. The majority of acquisition-related costs are capitalized and allocated to the various classes of assets acquired. These costs are then depreciated over the estimated useful lives associated with the assets acquired. Depreciation is computed using the straight-line method. The estimated useful lives for computing depreciation are generally not to exceed 5-7 years for furniture, fixtures and equipment, 15 years for land

improvements and 30 years for buildings and building improvements. Tenant improvements are amortized over the shorter of the respective lease term or the expected useful life of the asset. Major replacements that extend the useful lives of the assets are capitalized, and maintenance and repair costs are expensed as incurred.

We assess the acquisition-date fair values of all tangible assets, identifiable intangibles, and assumed liabilities using methods similar to those used by independent appraisers (e.g., discounted cash flow analysis, sales comparison approach, and replacement cost approach) and that utilize appropriate discount and/or capitalization rates and available market information. Estimates of future cash flows are based on a number of factors including historical operating results, known and anticipated trends, and market and economic conditions. The fair value of tangible assets of an acquired property considers the value of the property as if it were vacant.

The fair values of buildings and improvements are determined on an as-if-vacant basis. The estimated fair value of acquired in-place leases is the cost we would have incurred to lease the properties to the occupancy level of the properties at the date of acquisition. Such estimates include leasing commissions, legal costs and other direct costs that would be incurred to lease the properties to such occupancy levels. Additionally, we evaluate the time period over which such occupancy levels would be achieved. Such evaluation includes an estimate of the net market-based rental revenues and net operating costs (primarily consisting of real estate taxes, insurance, and utilities) that would be incurred during the lease-up period. Acquired in-place leases as of the date of acquisition are amortized over the remaining lease terms.

Acquired above- and below-market lease values are recorded based on the present value (using discount rates that reflect the risks associated with the leases acquired) of the difference between the contractual amounts to be paid pursuant to the in-place leases and management's estimate of the market lease rates for the corresponding in-place leases. The capitalized above- and below-market lease values are amortized as adjustments to rental income over the remaining terms of the respective leases. We also consider fixed-rate renewal options in our calculation of the fair value of below-market leases and the periods over which such leases are amortized. If a tenant has a unilateral option to renew a below-market lease and we determine that the tenant has a financial incentive to exercise such option, we include such option in the calculation of the fair value of such lease and the period over which the lease is amortized.

We estimate the value of tenant origination and absorption costs by considering the estimated carrying costs during hypothetical expected lease-up periods, considering current market conditions. In estimating carrying costs, management includes real estate taxes, insurance and other operating expenses and estimates of lost rentals at market rates during the expected lease-up periods.

We estimate the fair value of assumed loans payable based upon indications of then-current market pricing for similar types of debt with similar maturities. Assumed loans payable are initially recorded at their estimated fair value as of the assumption date, and the difference between such estimated fair value and the loan's outstanding principal balance is amortized over the life of the loan as an adjustment to interest expense. Our accumulated amortization of above- and below-market debt was \$2.9 million and \$4.3 million as of December 31, 2020 and 2019, respectively.

Real estate assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the individual property may not be recoverable. In such an event, a comparison will be made of the projected operating cash flows of each property on an undiscounted basis to the carrying amount of such property. If deemed unrecoverable on an undiscounted basis, such carrying amount would be adjusted, if necessary, to estimated fair values to reflect impairment in the value of the asset. For additional information regarding real estate asset impairments, refer to our fair value measurement accounting policy below.

Goodwill and Other Intangibles—In the case of an acquisition of a business, after identifying all tangible and intangible assets and liabilities, the excess consideration paid over the fair value of the assets and liabilities acquired represents goodwill. We allocate goodwill to the respective reporting units in which such goodwill arises. We evaluate goodwill for impairment when an event occurs or circumstances change that indicate the carrying value may not be recoverable, or at least annually. Our annual testing date is November 30.

The goodwill impairment evaluation is completed using either a qualitative or quantitative approach. Under a qualitative approach, the impairment review for goodwill consists of an assessment of whether it is more-likely-than-not that the reporting unit's fair value is less than its carrying value, including goodwill. If a qualitative approach indicates it is more likely-than-not that the estimated carrying value of a reporting unit (including goodwill) exceeds its fair value, or if we choose to bypass the qualitative approach for any reporting unit, we perform the quantitative approach described below.

When we perform a quantitative test of goodwill for impairment, we compare the carrying value of a reporting unit with its fair value. If the fair value of the reporting unit exceeds its carrying amount, we do not consider goodwill to be impaired and no further analysis would be required. If the fair value is determined to be less than its carrying value, the amount of goodwill impairment equals the amount by which the reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill.

If impairment indicators arise with respect to non-real estate intangible assets with finite useful lives, we evaluate impairment by comparing the carrying amount of the asset to the estimated future undiscounted cash flows expected to be generated by the asset. If estimated future undiscounted cash flows are less than the carrying amount of the asset, then we estimate the fair value of the asset and compare the estimated fair value to the intangible asset's carrying value. We recognize any shortfall from carrying value as an impairment loss in the current period.

Estimates of fair value used in our evaluation of goodwill and intangible assets are based upon discounted future cash flow projections, relevant competitor multiples, or other acceptable valuation techniques. These techniques are based, in turn, upon all available evidence including level three inputs (see fair value measurement policy below), such as revenue and expense growth rates, estimates of future cash flows, capitalization rates, discount rates, general economic conditions and trends, or other available market data. Our ability to accurately predict future operating results and cash flows and to estimate and determine fair values impacts the timing and recognition of impairments. While we believe our assumptions are

reasonable, changes in these assumptions may have a material impact on our financial results. Based on the results of our analysis, we concluded that goodwill was not impaired for the years ended December 31, 2020 and 2019.

Held for Sale Assets—We consider assets to be held for sale when management believes that a sale is probable within a year. This generally occurs when a sales contract is executed with no substantive contingencies, and the prospective buyer has significant funds at risk. Assets that are classified as held for sale are recorded at the lower of their carrying amount or fair value less cost to sell. For additional information regarding assets held for sale, refer to Note 5.

Deferred Financing Expenses—Deferred financing expenses are capitalized and amortized on a straight-line basis over the term of the related financing arrangement, which approximates the effective interest method. Deferred financing expenses related to our term loan facilities and mortgages are in Debt Obligations, Net, while deferred financing expenses related to our revolving credit facility are in Other Assets, Net, on our consolidated balance sheets. The accumulated amortization of deferred financing expenses in Debt Obligations, Net was \$13.8 million and \$10.8 million as of December 31, 2020 and 2019, respectively.

Fair Value Measurement—ASC Topic 820, *Fair Value Measurement* (“ASC 820”) defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. ASC 820 emphasizes that fair value is intended to be a market-based measurement, as opposed to a transaction-specific measurement. Fair value is defined by ASC 820 as the price that would be received at sale for an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Depending on the nature of the asset or liability, various techniques and assumptions can be used to estimate the fair value. Assets and liabilities are measured using inputs from three levels of the fair value hierarchy, as follows:

Level 1—Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that we have the ability to access at the measurement date. An active market is defined as a market in which transactions for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2—Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data correlation or other means (market corroborated inputs).

Level 3—Unobservable inputs, only used to the extent that observable inputs are not available, reflect our assumptions about the pricing of an asset or liability.

Considerable judgment is necessary to develop estimated fair values of financial and non-financial assets and liabilities. Accordingly, the estimates presented herein are not necessarily indicative of the amounts we did or could actually realize upon disposition of the financial assets and liabilities previously sold or currently held.

On a quarterly basis, we employ a multi-step approach to assess our real estate assets for possible impairment and record any impairment charges identified. The first step is the identification of potential triggering events, such as significant decreases in occupancy or the presence of large unleased or vacant spaces. If we observe any of these indicators for a shopping center, we then perform an additional screen test consisting of a years-to-recover analysis to determine if we will recover the net book value of the property over its remaining economic life based upon net operating income (“NOI”) as forecasted for the current year. In the event that the results of this first step indicate a triggering event for a center, we proceed to the second step, utilizing an undiscounted cash flow model for the center to identify potential impairment. If the undiscounted cash flows directly associated with the use and ultimate disposition of the center are less than the net book value of the center as of the balance sheet date, we record an impairment charge based on the fair value determined in the third step. In performing the third step, we utilize market data such as capitalization rates and sales price per square foot on comparable recent real estate transactions to estimate the fair value of the real estate assets. We also utilize expected net sales proceeds to estimate the fair value of any centers that are actively being marketed for sale.

In addition to these procedures, we also review undeveloped or unimproved land parcels that we own for evidence of impairment and record any impairment charges as necessary. Primary impairment triggers for these land parcels are changes to our plans or intentions with regards to such properties, or planned dispositions at prices that are less than the current carrying values.

Our quarterly impairment procedures have not been altered by the COVID-19 pandemic, as we believe key impairment indicators such as temporary store closings and large unleased or vacant spaces will continue to be identified in our review. We have utilized forecasts that incorporate estimated decreases in NOI and cash flows as a result of the COVID-19 pandemic in performing our impairment analysis for the year ended December 31, 2020. However, it is possible that we could experience unanticipated changes in assumptions that are employed in our impairment analysis which could impact our cash flows and fair value conclusions. Such unanticipated changes relative to our expectations may include but are not limited to: increases or decreases in the duration or permanence of tenant closures, increases or decreases in collectibility reserves and write-offs, additional capital required to fill vacancies, extended lease-up periods, future closings of large tenants, changes in macroeconomic assumptions such as rate of inflation and capitalization rates, and changes to the estimated timing of disposition of the properties under review.

Investments in Unconsolidated Joint Ventures—We account for our investments in unconsolidated joint ventures using the equity method of accounting as we exercise significant influence over, but do not control, these entities. These investments were initially recorded at cost and are subsequently adjusted for contributions made to and distributions received from the joint ventures. Earnings or losses from our investments are recognized in accordance with the terms of the applicable joint venture agreements, generally through a pro rata allocation. Under a pro rata allocation, net income or loss is allocated between the partners in the joint ventures based on their respective stated ownership percentages.

We utilize the cumulative-earnings approach for purposes of determining whether distributions should be classified as either a return on investment, which would be included in operating activities, or a return of investment, which would be included in investing activities on the consolidated statements of cash flows. Under this approach, distributions are presumed to be

returns on investment unless cumulative returns on investment exceed our cumulative equity in earnings. When such an excess occurs, the current-period distribution up to this excess is considered a return of investment and classified as cash flows from investing activities.

On a periodic basis, management assesses whether there are indicators, including the operating performance of the underlying real estate and general market conditions, that the value of our investments in our unconsolidated joint ventures may be impaired. An investment's value is impaired only if management's estimate of the fair value of the investment is less than its carrying value and such difference is deemed to be other-than-temporary. To the extent impairment has occurred, the loss is measured as the excess of the carrying amount of the investment over its estimated fair value.

Management's estimates of fair value are based upon a discounted cash flow model for each specific investment that includes all estimated cash inflows and outflows over a specified holding period. Where applicable, any estimated debt premiums, capitalization rates, discount rates and credit spreads used in these models are based upon rates we believe to be within a reasonable range of current market rates.

Our joint venture investment in NRP was acquired as part of an acquisition and initially recorded at fair value. Basis differences arise when the fair value we record differs from our proportionate share of the entity's underlying net assets. A basis difference for our joint venture is amortized starting at the date of acquisition and recorded as an offset to earnings from the related joint venture in Other Income (Expense), Net on our consolidated statements of operations. When a property is sold, the remaining basis difference related to that property is written off. Our investment in NRP differs from our proportionate share of the underlying net assets due to an initial basis difference of \$6.2 million. For additional information regarding our unconsolidated joint ventures, refer to Note 7.

Leases—We are party to a number of lease agreements, both as a lessor as well as a lessee of various types of assets.

Lessor—The majority of our revenue is lease revenue derived from our real estate assets, which is accounted for under ASC Topic 842, *Leases* ("ASC 842"). We adopted the accounting guidance contained within ASC 842 on January 1, 2019, the effective date of the standard for public companies. We record lease and lease-related revenue as Rental Income on the consolidated statements of operations, in accordance with ASC 842.

We enter into leases primarily as a lessor as part of our real estate operations, and leases represent the majority of our revenue. We lease space in our properties generally in the form of operating leases. Our leases typically provide for reimbursements from tenants for common area maintenance, insurance, and real estate tax expenses. Common area maintenance reimbursements can be fixed, with revenue earned on a straight-line basis over the term of the lease, or variable, with revenue recognized as services are performed for which we will be reimbursed.

The lease agreements frequently contain fixed-price renewal options to extend the terms of leases and other terms and conditions as negotiated. In calculating the term of our leases, we consider whether these options are reasonably certain to be exercised. Our determination involves a combination of contract-, asset-, entity-, and market-based factors and involves considerable judgment. We retain substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. Currently, our tenants have no options to purchase at the end of the lease term, although in a small number of leases, a tenant, usually the anchor tenant, may have the right of first refusal to purchase one of our properties if we elect to sell the center.

Beginning January 1, 2019, we evaluate whether a lease is an operating, sales-type, or direct financing lease using the criteria established in ASC 842. Leases will be considered either sales-type or direct financing leases if any of the following criteria are met:

- if the lease transfers ownership of the underlying asset to the lessee by the end of the term;
- if the lease grants the lessee an option to purchase the underlying asset that is reasonably certain to be exercised;
- if the lease term is for the major part of the remaining economic life of the underlying asset; or
- if the present value of the sum of the lease payments and any residual value guaranteed by the lessee equals or exceeds substantially all of the fair value of the underlying asset.

We utilize substantial judgment in determining the fair value of the leased asset, the economic life of the leased asset, and the relevant borrowing rate in performing our lease classification analysis. If none of the criteria listed above are met, the lease is classified as an operating lease. Currently, all of our leases are classified as operating leases, and we expect that the majority, if not all, of our leases will continue to be classified as operating leases based upon our typical lease terms.

We commence revenue recognition on our leases based on a number of factors. In most cases, revenue recognition under a lease begins when the lessee takes possession of or controls the physical use of the leased asset. The determination of when revenue recognition under a lease begins, as well as the nature of the leased asset, is dependent upon our assessment of who is the owner, for accounting purposes, of any related tenant improvements. If we are the owner, for accounting purposes, of the tenant improvements, then the leased asset is the finished space, and revenue recognition begins when the lessee takes possession of the finished space, typically when the improvements are substantially complete.

If we conclude that we are not the owner, for accounting purposes, of the tenant improvements (i.e., the lessee is the owner), then the leased asset is the unimproved space and any tenant allowances funded under the lease are treated as lease incentives, which reduce revenue recognized over the term of the lease. In these circumstances, we begin revenue recognition when the lessee takes possession of the unimproved space to construct their own improvements. We consider a number of different factors in evaluating whether the lessee or we are the owner of the tenant improvements for accounting purposes. These factors include:

- whether the lease stipulates how and on what a tenant improvement allowance may be spent;
 - whether the tenant or landlord retains legal title to the improvements;
 - the uniqueness of the improvements;
-

- the expected economic life of the tenant improvements relative to the length of the lease; and
- who constructs or directs the construction of the improvements.

The majority of our leases provide for fixed rental escalations, and we recognize rental income on a straight-line basis over the term of each lease in such instances. The difference between rental income earned on a straight-line basis and the cash rent due under the provisions of the lease agreements is recorded as deferred rent receivable and is included as a component of Other Assets, Net. Due to the impact of the straight-line adjustments, rental income generally will be greater than the cash collected in the early years and will be less than the cash collected in the later years of a lease.

Reimbursements from tenants for recoverable real estate taxes and operating expenses that are fixed per the terms of the applicable lease agreements are recorded on a straight-line basis, as described above. The majority of our lease agreements with tenants, however, provide for tenant reimbursements that are variable depending upon the applicable expenses incurred. These reimbursements are accrued as revenue in the period in which the applicable expenses are incurred. We make certain assumptions and judgments in estimating the reimbursements at the end of each reporting period. We do not expect the actual results to materially differ from the estimated reimbursements. Both fixed and variable tenant reimbursements are recorded as Rental Income in the consolidated statements of operations. In certain cases, the lease agreement may stipulate that a tenant make a direct payment for real estate taxes to the relevant taxing authorities. In these cases, beginning on January 1, 2019, we no longer record any revenue or expense related to these tenant expenditures. Although we expect such cases to be rare, in the event that a direct-paying tenant failed to make their required payment to the taxing authorities, we would potentially be liable for such amounts, although they are not recorded as a liability in our consolidated balance sheets per the requirements of ASC 842. We have made a policy election to exclude amounts collected from customers for all sales tax and other similar taxes from the transaction price in our recognition of lease revenue. We record such taxes on a net basis in our consolidated statements of operations.

Additionally, we record an immaterial amount of variable revenue in the form of percentage rental income. Our policy for percentage rental income is to defer recognition of contingent rental income until the specified target (i.e., breakpoint) that triggers the contingent rental income is achieved.

In some instances, as part of our negotiations, we may offer lease incentives to our tenants. These incentives usually take the form of payments made to or on behalf of the tenant, and such incentives will be deducted from the lease payment and recorded on a straight-line basis over the term of the new lease.

We record lease termination income if there is a signed termination agreement, all of the conditions of the agreement have been met, collectibility is reasonably assured and the tenant is no longer occupying the property. Upon early lease termination, we provide for losses related to unrecovered tenant-specific intangibles and other assets. We record lease termination income as Rental Income in the consolidated statements of operations.

Historically, we periodically reviewed the collectibility of outstanding receivables. Following the adoption of ASC 842, lease receivables are reviewed continually to determine whether or not it is probable that we will realize substantially all remaining lease payments for each of our tenants (i.e., whether a tenant is deemed to be a credit risk). Additionally, we record a general reserve based on our review of operating lease receivables at a company level to ensure they are properly valued based on analysis of historical bad debt, outstanding balances, and the current economic climate. If we determine it is not probable that we will collect substantially all of the remaining lease payments from a tenant, revenue for that tenant is recorded on a cash basis ("cash-basis tenant"), including any amounts relating to straight-line rent receivables and/or receivables for recoverable expenses. We will resume recording lease income on an accrual basis for cash-basis tenants once we believe the collection of rent for the remaining lease term is probable, which will generally be after a period of regular payments. The COVID-19 pandemic has increased the uncertainty of collecting rents from a number of our tenants. Under ASC 842, the aforementioned adjustments as well as any reserve for disputed charges are recorded as a reduction of Rental Income rather than in Property Operating, where our reserves were previously recorded, on the consolidated statements of operations. As of December 31, 2020 and 2019, the reserve in accounts receivable for uncollectible amounts was \$8.9 million and \$6.9 million, respectively. Receivables on our consolidated balance sheets exclude amounts removed for tenants considered to be non-creditworthy, which were \$27.2 million and \$6.9 million as of December 31, 2020 and 2019, respectively.

In our efforts to maximize collections in the near term while also supporting our tenants as they operate through this pandemic, we have begun negotiating rent relief primarily in the form of payment plans and deferrals on rent and recovery charges, which allow for changes in the timing of payments, but not the total amount of consideration due to us under the lease. In some instances, we may also agree to waive certain charges due to us under the lease; for additional details, please refer to Note 3.

Lessee—We enter into leases as a lessee as part of our real estate operations in the form of ground leases of land for certain properties, and as part of our corporate operations in the form of office space and office equipment leases. Ground leases typically contain one or more options to renew for additional terms and may include options that grant us, as the lessee, the right to terminate the lease, without penalty, in advance of the full lease term. Our office space leases generally have no renewal options. Office equipment leases typically have options to extend the term for a year or less, but contain minimal termination rights. In calculating the term of our leases, we consider whether we are reasonably certain to exercise renewal and/or termination options. Our determination involves a combination of contract-, asset-, entity-, and market-based factors and involves considerable judgment.

Currently, neither our operating leases nor our finance leases have residual value guarantees or other restrictions or covenants, but a small number may contain nonlease components which have been deemed not material and are not separated from the leasing component. Beginning January 1, 2019, we evaluate whether a lease is a finance or operating lease using the criteria established in ASC 842. The criteria we use to determine whether a lease is a finance lease are the same as those we use to determine whether a lease is sales-type lease as a lessor. If none of the finance lease criteria is met, we classify the lease as an operating lease.

We record ROU assets and liabilities in the consolidated balance sheets based upon the terms and conditions of the applicable lease agreement. We use discount rates to calculate the present value of lease payments when determining lease classification

and measuring our lease liability. We use the rate implicit in the lease as our discount rate unless that rate cannot be readily determined, in which case we consider various factors, including our incremental secured borrowing rate, in selecting an appropriate discount rate. This requires the application of judgment, and we consider the length of the lease as well as the length and securitization of our outstanding debt agreements in selecting an appropriate rate. Refer to Note 3 for further detail.

Revenue Recognition—In addition to our lease-related revenue, we also earn fee revenues by providing services to the Managed Funds. These fees are accounted for within the scope of ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), and are recorded as Fees and Management Income on the consolidated statements of operations. We provide services to the Managed Funds, all of which are considered related parties. These services primarily include asset acquisition and disposition services, asset management, operating and leasing of properties, construction management, and other general and administrative responsibilities. These services are currently provided under various combinations of advisory agreements, property management agreements, and other service agreements (the "Management Agreements"). The wide variety of duties within the Management Agreements makes determining the performance obligations within the contracts a matter of judgment. We have concluded that each of the separately disclosed fee types in the below table represents a separate performance obligation within the Management Agreements.

Fee	Performance Obligation Satisfied	Form and Timing of Payment	Description
Asset Management	Over time	In cash, monthly	Because each increment of service is distinct, although substantially the same, revenue is recognized at the end of each reporting period based upon invested equity and the applicable rate.
Property Management	Over time	In cash, monthly	Because each increment of service is distinct, although substantially the same, revenue is recognized at the end of each month based on a percentage of the properties' cash receipts.
Leasing Commissions	Point in time (upon close of a transaction)	In cash, upon completion	Revenue is recognized in an amount equal to the fees charged by unaffiliated persons rendering comparable services in the same geographic location.
Construction Management	Point in time (upon close of a project)	In cash, upon completion	Revenue is recognized in an amount equal to the fees charged by unaffiliated persons rendering comparable services in the same geographic location.
Acquisition/Disposition	Point in time (upon close of a transaction)	In cash, upon close of the transaction	Revenue is recognized based on a percentage of the purchase price or disposition price of the property acquired or sold.

Due to the nature of the services being provided under our Management Agreements, each performance obligation has a variable component. Therefore, when we determine the transaction price for the contracts, we are required to constrain our estimate to an amount that is not probable of significant revenue reversal. For most of these fee types, such as acquisition fees and leasing commissions, compensation only occurs if a transaction takes place and the amount of compensation is dependent upon the terms of the transaction. For our property and asset management fees, due to the large number and broad range of possible consideration amounts, we calculate the amount earned at the end of each month.

In addition to the fees listed above, certain of our Management Agreements include the potential for additional revenues if certain market conditions are in place or certain events take place. We have not recognized revenue related to these fees, nor will we until it is no longer highly probable that there would be a material reversal of revenue.

Sales or transfers to non-customers of non-financial assets or in substance non-financial assets that do not meet the definition of a business are accounted for within the scope of ASC Topic 610-20, *Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets* ("ASC 610-20"). Generally, our sales of real estate would be considered a sale of a non-financial asset as defined by ASC 610-20. Under ASC 610-20, if we determine we do not have a controlling financial interest in the entity that holds the asset and the arrangement meets the criteria to be accounted for as a contract, we would de-recognize the asset and recognize a gain or loss on the sale of the real estate when control of the underlying asset transfers to the buyer. Further, we may defer a tax gain through a Section 1031 Exchange by purchasing another property within a specified time period. For additional information regarding gain on sale of assets, refer to Note 5.

Share-Based Compensation—We account for equity awards in accordance with ASC Topic 718, *Compensation—Stock Compensation*, which requires that all share based payments to employees and non-employee directors be recognized in the consolidated statements of operations over the requisite service period based on their fair value. Fair value at issuance is determined using the grant date estimated value per share ("EVPS") of our stock. For those share-based awards that are settled in cash and recorded as a liability, the fair value and associated expense is adjusted when the published price of our stock changes. Share-based compensation expense for all awards is included in General and Administrative and Property Operating in our consolidated statements of operations. For more information about our stock based compensation program, see Note 14.

Repurchase of Common Stock—We offer a share repurchase program ("SRP") which may allow stockholders who participate to have their shares repurchased subject to approval and certain limitations and restrictions. Shares repurchased pursuant to our SRP are immediately retired upon purchase. Repurchased common stock is reflected as a reduction of stockholders' equity. Our accounting policy related to share repurchases is to reduce common stock based on the par value of the shares and to reduce capital surplus for the excess of the repurchase price over the par value. Since the inception of the SRP in August 2010, we have had an accumulated deficit balance; therefore, the excess over the par value has been applied to additional paid-in capital. Once we have retained earnings, the excess will be charged entirely to retained earnings.

Segments—Our principal business is the ownership and operation of community and neighborhood shopping centers. We do not distinguish our principal business, or group our operations, by geography or size for purposes of measuring performance. Accordingly, we have presented our results as a single reportable segment.

Income Taxes—We have elected to be taxed as a REIT under the IRC. To qualify as a REIT, we must meet a number of organization and operational requirements, including a requirement to annually distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding net capital gains. We intend to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a deduction for some or all of the distributions we pay to our stockholders. Accordingly, we are generally subject to U.S. federal income taxes on any taxable income that is not currently distributed to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income taxes and may not be able to qualify as a REIT until the fifth subsequent taxable year.

Notwithstanding our qualification as a REIT, we may be subject to certain state and local taxes on our income or properties. In addition, our consolidated financial statements include the operations of wholly-owned subsidiaries that have jointly elected to be treated as a Taxable REIT Subsidiary (“TRS”) and are subject to U.S. federal, state and local income taxes at regular corporate tax rates. As a REIT, we may also be subject to certain U.S. federal excise taxes if we engage in certain types of transactions. We recognized an insignificant amount of federal, state, and local income tax expense for the years ended December 31, 2020 and 2019, respectively, and we retain a full valuation allowance for our deferred tax asset. All income tax amounts are included in Other Income (Expense), Net on the consolidated statements of operations. For more information regarding our income taxes, see Note 11.

Newly Adopted Accounting Pronouncements—The following table provides a brief description of newly-adopted accounting pronouncements and their effect on our consolidated financial statements:

Standard	Description	Date of Adoption	Effect on the Financial Statements or Other Significant Matters
Accounting Standards Update ("ASU") 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments	The amendments in this update replaced the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. It clarified that receivables arising from operating leases are not within the scope of ASC Topic 326. Instead, impairment of receivables arising from operating leases will be accounted for in accordance with ASC 842. It also allowed election of the fair value option on certain financial instruments.	January 1, 2020	The adoption of this standard did not have a material impact on our consolidated financial statements. The majority of our financial instruments result from operating lease transactions, which are not within the scope of this standard.
ASU 2018-19, Financial Instruments - Credit Losses (Topic 326): Codification Improvements			
ASU 2019-05, Financial Instruments - Credit Losses (Topic 326): Targeted Transition Relief			
ASU 2019-11, Codification Improvements to Topic 326, Financial Instruments - Credit Losses			
ASU 2020-02, Financial Instruments - Credit Losses (Topic 326) and Leases (Topic 842)			
ASU 2018-17, Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities	This ASU amended two aspects of the related-party guidance in Topic 810: (1) added an elective private-company scope exception to the variable interest entity guidance for entities under common control, and (2) provided that indirect interests held through related parties in common control arrangements will be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests.	January 1, 2020	The adoption of this standard did not have a material impact on our consolidated financial statements.
ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments	This ASU amended a variety of topics, improving certain aspects of previously issued ASUs, including ASU 2016-01, Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities, ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, and ASU 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities.	January 1, 2020	The adoption of this standard did not have a material impact on our consolidated financial statements.
ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting	This ASU contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur.	March 12, 2020	We have elected to apply the expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. We continue to evaluate the impact of the guidance and may apply other elections as applicable as changes occur.

In response to the COVID-19 pandemic, the Financial Accounting Standards Board ("FASB") issued interpretive guidance addressing the accounting treatment for lease concessions attributable to the pandemic. Under this guidance, entities may elect to account for such lease concessions consistent with how they would be accounted for under ASC 842 if the enforceable rights and obligations for the lease concessions already existed within the lease agreement, regardless of whether such enforceable rights and obligations are explicitly outlined within the lease. This accounting treatment may only be applied if (1) the lease concessions were granted as a direct result of the pandemic, and (2) the total cash flows under the modified lease are less than or substantially the same as the cash flows under the original lease agreement. As a result, entities that make this election will not have to analyze each lease to determine whether enforceable rights and obligations for concessions exist within the contract, and may elect not to account for these concessions as lease modifications within the scope of ASC 842.

Some concessions will provide a deferral of payments, which may affect the timing of cash receipts without substantively impacting the total consideration per the original lease agreement. The FASB has stated that there are multiple acceptable methods to account for deferrals under the interpretive guidance:

- Account for the concession as if no changes to the lease contract were made, increasing the lease receivable as payments accrue and continuing to recognize income; or
- Account for deferred lease payments as variable lease payments.

We have elected not to account for any qualifying lease concessions granted as a result of the COVID-19 pandemic as lease modifications and will account for any qualifying concessions granted as if no changes to the lease contract were made. This

will result in an increase to the related lease receivable as payments accrue while we continue to recognize rental income. We will, however, assess the impact of any such concessions on estimated collectibility of the related lease payments and will reflect any adjustments as necessary as an offset to Rental Income on the consolidated statements of operations.

Reclassifications—The following line item on our consolidated balance sheet as of December 31, 2019 was reclassified to conform to current year presentation:

- Corporate Intangible Assets, Net was included in Other Assets, Net.

The following line items on our consolidated statements of cash flows for the years ended December 31, 2019 and 2018 were reclassified to conform to current year presentation:

- Return on Investment in Unconsolidated Joint Ventures was listed on a separate line from Other Assets, Net; and
- Net Change in Credit Facility was separated into two lines, Proceeds from Revolving Credit Facility and Payments on Revolving Credit Facility.

3. LEASES

Lessor—The majority of our leases are largely similar in that the leased asset is retail space within our properties, and the lease agreements generally contain similar provisions and features, without substantial variations. All of our leases are currently classified as operating leases. Lease income related to our operating leases was as follows as of December 31, 2020 and 2019 (dollars in thousands):

	2020	2019
Rental income related to fixed lease payments ⁽¹⁾	\$ 380,439	\$ 385,948
Rental income related to variable lease payments ⁽¹⁾	125,256	127,790
Straight-line rent amortization ⁽²⁾	3,258	9,003
Amortization of lease assets	3,138	4,138
Lease buyout income	1,237	1,166
Adjustments for collectibility ⁽²⁾⁽³⁾	(27,845)	(5,775)
Total rental income	\$ 485,483	\$ 522,270

⁽¹⁾ Includes rental income related to lease payments before assessing for collectibility.

⁽²⁾ Includes revenue adjustments for non-creditworthy tenants.

⁽³⁾ Contains general reserves; excludes reserves for straight-line rent amortization.

Approximate future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of December 31, 2020, assuming no new or renegotiated leases or option extensions on lease agreements, and including the impact of rent abatements, payment plans, and tenants who have been moved to the cash basis of accounting for revenue recognition purposes are as follows (in thousands):

Year	Amount
2021	\$ 374,203
2022	339,952
2023	291,884
2024	236,076
2025	179,406
Thereafter	430,799
Total	\$ 1,852,320

In response to the COVID-19 pandemic, we executed payment plans with our tenants. For tenants active as of March 8, 2021, we had agreed to defer approximately \$8.6 million in rent and related charges, and we had granted abatements totaling approximately \$4.2 million. These payment plans and rent abatements represented approximately 2% and 1% of our wholly-owned portfolio's annualized base rent ("ABR"), respectively. As of March 8, 2021, approximately 87% of payments are scheduled to be received through December 31, 2021 for all executed payment plans, and the weighted-average remaining term over which we expect to receive payment on executed payment plans is approximately eleven months. For the years ended December 31, 2020 and 2019, we had \$28.1 million and \$3.9 million, respectively, in monthly revenue that will not be recognized until cash is collected or the tenant resumes regular payments and/or is considered creditworthy. These amounts include the estimated impact of tenants who have filed for bankruptcy.

No single tenant comprised 10% or more of our ABR as of December 31, 2020. As of December 31, 2020, our real estate investments in Florida and California represented 12.3% and 10.4% of our ABR, respectively. As a result, the geographic concentration of our portfolio makes it particularly susceptible to adverse weather or economic events, including the impact of the COVID-19 pandemic, in the Florida and California real estate markets.

Lessee—Lease assets and liabilities, grouped by balance sheet line where they are recorded, consisted of the following as of December 31, 2020 and 2019 (in thousands):

Balance Sheet Information	Balance Sheet Location	2020		2019	
ROU assets, net - operating leases	Investment in Real Estate	\$	3,867	\$	7,613
ROU assets, net - operating and finance leases	Other Assets, Net		1,438		2,111
Operating lease liability	Accounts Payable and Other Liabilities		5,731		9,453
Finance lease liability	Debt Obligations, Net		164		443

During the year ended December 31, 2020, one of our acquisitions was land upon which one of our shopping centers is situated. This land was previously subject to a ground lease in which the lessor controlled an option requiring us to purchase the land subject to the lease, and our valuation of the ROU asset and lease liability as of December 31, 2019 for this ground lease reflected the assumption that the lessor would exercise this option and that we would purchase the underlying land asset.

As of December 31, 2020, the weighted-average remaining lease term was approximately two years for finance leases and 20 years for operating leases. The weighted-average discount rate was 3.5% for finance leases and 4.1% for operating leases.

Future undiscounted payments for fixed lease charges by lease type, inclusive of options reasonably certain to be exercised, are as follows as of December 31, 2020 (in thousands):

Year	Undiscounted			
	Operating		Finance	
2021	\$	831	\$	102
2022		805		29
2023		654		24
2024		528		16
2025		297		—
Thereafter		5,781		—
Total undiscounted cash flows from leases		8,896		171
Total lease liabilities recorded at present value		5,731		164
Difference between undiscounted cash flows and present value of lease liabilities	\$	3,165	\$	7

4. MERGER WITH REIT II

On November 16, 2018, we completed the Merger pursuant to the Agreement and Plan of Merger, dated July 17, 2018. We acquired 86 properties as part of this transaction. Under the terms of the Merger, at the time of closing, the following consideration was given in exchange for REIT II common stock (in thousands):

	Amount
Fair value of PECO common stock issued ⁽¹⁾	\$ 1,054,745
Fair value of REIT II debt:	
Corporate debt	719,181
Mortgages and notes payable	102,727
Derecognition of REIT II management contracts, net ⁽²⁾	30,428
Transaction costs	11,587
Total consideration and debt activity	1,918,668
Less: debt assumed	464,462
Total consideration	\$ 1,454,206

⁽¹⁾ The total number of shares of common stock issued was 31.8 million.

⁽²⁾ Previously a component of Other Assets, Net.

To complete the Merger, we issued 0.68 shares of our common stock in exchange for each issued and outstanding share of REIT II common stock, which was equivalent to \$22.54 based on our EVPS at the time of the Merger of \$33.15. The exchange ratio was based on a thorough review of the relative valuation of each entity, including factoring in our investment management business as well as each company's transaction costs.

Upon completion of the Merger, our continuing stockholders owned approximately 71% of the issued and outstanding shares of the Company on a fully diluted basis (determined as if each Operating Partnership unit or "OP unit") was exchanged for one

share of our common stock) and former REIT II stockholders owned approximately 29% of the issued and outstanding shares of the Company on a fully diluted basis (determined as if each OP unit was exchanged for one share of our common stock).

Assets Acquired and Liabilities Assumed—After consideration of all applicable factors pursuant to the business combination accounting rules under ASC 805, including the application of a screen test to evaluate if substantially all the fair value of the acquired properties is concentrated in a single asset or group of similar assets, we have concluded that the Merger qualifies as an asset acquisition.

Additionally, prior to the close of the Merger, all of REIT II's real properties were managed and leased by us, under the terms of various management agreements. As we had contractual relationships with REIT II, we considered the provisions of ASC 805 regarding the settlement of pre-existing relationships. This guidance provides that a transaction that in effect settles pre-existing relationships between the acquirer and acquiree should be evaluated under the guidance set forth in ASC 805 for possible gain/loss recognition.

In applying the relevant guidance to the settlement of our contractual relationships with REIT II, we noted that the provisions of the various agreements provided both parties to each of the agreements with substantial termination rights. The agreements permitted either party to terminate without cause or penalty upon prior written notice within a specified number of days' notice. Therefore, we determined that the termination of the agreements did not result in a settlement gain or loss under the relevant guidance, and thus no gain or loss was recorded in the consolidated financial statements.

Prior to the consummation of the Merger, we did, however, have an existing intangible asset related to our acquisition of certain management contracts between Phillips Edison Limited Partnership ("PELP"), REIT II's former external manager, and REIT II during our acquisition of PELP in 2017. Because this relationship was internalized as part of the Merger, we derecognized the carrying value of these intangible assets upon completion of the Merger and have included the derecognized contract value of \$30.4 million in our calculation of total consideration in the table above.

As of December 31, 2018, we capitalized approximately \$11.6 million in costs related to the Merger. The following table summarizes the final purchase price allocation based on a valuation report prepared by a third-party valuation specialist that was subject to management's review and approval (in thousands):

	Amount
Assets:	
Land and improvements	\$ 561,100
Building and improvements	1,198,884
Intangible lease assets	197,384
Fair value of unconsolidated joint venture	16,470
Cash and cash equivalents	354
Restricted cash	5,159
Accounts receivable and other assets	33,045
Total assets acquired	2,012,396
Liabilities:	
Debt assumed	464,462
Intangible lease liabilities	60,421
Accounts payable and other liabilities	33,307
Total liabilities assumed	558,190
Net assets acquired	\$ 1,454,206

The allocation of the purchase price is based on management's assessment, which requires a significant amount of judgment and represents management's best estimate of the fair value as of the acquisition date.

Intangible Assets and Liabilities—The fair value and weighted-average amortization periods for the intangible assets and liabilities acquired in the Merger are as follows (dollars in thousands, useful life in years):

	Fair Value	Weighted-Average Useful Life
In-place leases	\$ 181,916	13
Above-market leases	15,468	7
Below-market leases	(60,421)	17

5. REAL ESTATE ACTIVITY

Property Sales—The following table summarizes our real estate disposition activity, excluding properties contributed or sold to GRP I (see Note 7), for the years ended December 31, 2020, 2019, and 2018 (dollars in thousands):

	2020		2019		2018	
Number of properties sold ⁽¹⁾		7		21		8
Number of outparcels sold		1		1		—
Proceeds from sale of real estate	\$	57,902	\$	223,083	\$	82,145
Gain on sale of properties, net ⁽²⁾		10,117		30,039		16,757

⁽¹⁾ We retained certain outparcels of land associated with one of our property dispositions during the year ended December 31, 2020, and as a result, this property is still included in our total property count.

⁽²⁾ The gain on sale of properties, net does not include miscellaneous write-off activity, which is also recorded in Gain on Sale or Contribution of Property, Net on the consolidated statements of operations.

Subsequent to December 31, 2020, we sold five properties and one outparcel for \$44.4 million.

Acquisitions—The following table summarizes our real estate acquisition activity for the years ended December 31, 2020, 2019, and 2018 (dollars and square feet in thousands):

	2020		2019		2018	
Number of properties purchased ⁽¹⁾		2		2		5
Number of outparcels purchased ⁽²⁾		2		2		2
Total price of acquisitions	\$	41,482	\$	71,722	\$	98,941
Total square footage acquired		216		213		543

⁽¹⁾ Excludes 86 properties acquired in the Merger and three properties acquired in the merger with Phillips Edison Grocery Center REIT III, Inc. ("REIT III").

⁽²⁾ Outparcels purchased in 2020, 2019, and 2018 are parcels of land adjacent to shopping centers that we own.

Subsequent to December 31, 2020, we acquired two properties and two outparcels for \$39.6 million.

In October 2019, we completed a merger with REIT III which resulted in the acquisition of three properties. As part of the merger with REIT III, we also acquired a 10% equity interest in GRP II valued at approximately \$5.4 million (refer to Note 7 for further information) and a net working capital liability. GRP II was subsequently acquired by GRP I in October 2020. Consideration for the merger with REIT III primarily included (i) the issuance of 1.5 million shares of our common stock with a value of \$49.9 million; (ii) \$21.1 million in cash used to pay down REIT III debt and cash paid to REIT III stockholders; (iii) the partial derecognition of a management contract intangible asset in the amount of \$1.1 million; (iv) transaction costs of \$0.8 million that were capitalized as part of this asset acquisition; and (v) the settlement of net related party balances of \$0.5 million.

Prior to the close of the merger with REIT III, all of REIT III's real properties were managed and leased by us, under the terms of various management agreements. As we had contractual relationships with REIT III, we considered the provisions of ASC 805 regarding the settlement of pre-existing relationships. This guidance provides that a transaction that in effect settles pre-existing relationships between the acquirer and acquiree should be evaluated under the guidance set forth in ASC 805 for possible gain/loss recognition. In applying the relevant guidance to the settlement of our contractual relationships with REIT III, we noted that the provisions of the various agreements provided both parties to each of the agreements with substantial termination rights. The agreements permitted either party to terminate without cause or penalty upon prior written notice within a specified number of days' notice. Therefore, we determined that the termination of the agreements did not result in a settlement gain or loss under the relevant guidance, and thus no gain or loss was recorded in the consolidated financial statements.

The fair value and weighted-average useful life at acquisition for lease intangibles acquired as part of the transactions above during the years ended December 31, 2020 and 2019, are as follows (dollars in thousands, weighted-average useful life in years):

	2020		2019	
	Fair Value	Weighted-Average Useful Life	Fair Value	Weighted-Average Useful Life
In-place leases	\$ 3,360	10	\$ 11,907	9
Above-market leases	709	4	2,017	9
Below-market leases	(2,466)	21	(3,385)	15

Property Held for Sale—As of December 31, 2020, there were no properties held for sale. As of December 31, 2019, one property was classified as held for sale, as it was under contract to sell, with no substantive contingencies, and the prospective buyer had significant funds at risk. This property was disposed of during the year ended December 31, 2020. A summary of assets and liabilities for the property held for sale as of December 31, 2019 is presented below (in thousands):

	2019	
ASSETS		
Total investment in real estate assets, net	\$	5,859
Other assets, net		179
Total assets	\$	6,038
LIABILITIES⁽¹⁾		
Below-market lease liabilities, net	\$	316
Accounts payable and other liabilities		33
Total liabilities	\$	349

⁽¹⁾ These amounts are included in Accounts Payable and Other Liabilities on the consolidated balance sheet.

6. INTANGIBLE ASSETS AND LIABILITIES

Goodwill—During the years ended December 31, 2020, 2019, and 2018 we did not record any impairments or re-allocations of goodwill.

Other Intangible Assets and Liabilities—Other intangible assets and liabilities consisted of the following as of December 31, 2020 and 2019, excluding amounts related to other intangible assets and liabilities classified as held for sale (in thousands):

	2020		2019	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Corporate intangible assets	\$ 6,804	\$ (4,922)	\$ 4,883	\$ (2,444)
In-place leases	441,683	(204,698)	442,729	(170,272)
Above-market leases	66,106	(41,125)	65,946	(34,569)
Below-market lease liabilities	(150,579)	48,834	(151,585)	39,266

Summarized below is the amortization recorded on other intangible assets and liabilities for the years ended December 31, 2020, 2019, and 2018 (in thousands):

	2020	2019	2018
Corporate intangible assets	\$ 2,478	\$ 2,735	\$ 10,618
In-place leases	36,000	42,902	37,101
Above-market leases	6,890	7,502	6,112
Below-market lease liabilities	(10,063)	(11,687)	(10,061)

During the year ended December 31, 2019, we recorded an impairment of \$7.8 million related to the management contracts intangible asset; please refer to Note 17. In addition, the portion of this asset that was related to our contract with REIT III was internalized as part of the merger with REIT III. As a result, during the year ended December 31, 2019, we derecognized a net book value of \$1.1 million of these intangible assets and included the amount within capitalized asset acquisition costs for that transaction. We evaluated the useful life of the remaining management contracts after this derecognition and concluded that the asset now has a remaining useful life of one year.

Estimated future amortization of the respective other intangible assets and liabilities as of December 31, 2020, excluding estimated amounts related to other intangible assets and liabilities classified as held for sale, for each of the next five years is as follows (in thousands):

	Corporate Intangible Assets		In-Place Leases		Above-Market Leases		Below-Market Leases	
2021	\$	384	\$	32,877	\$	6,211	\$	(9,556)
2022		384		30,293		5,329		(9,094)
2023		384		26,541		4,573		(8,420)
2024		384		23,439		3,284		(7,839)
2025		346		20,435		2,131		(7,341)

7. INVESTMENTS IN UNCONSOLIDATED JOINT VENTURES

Grocery Retail Partners I and II—In November 2018, through our direct and indirect subsidiaries, we entered into a joint venture with Northwestern Mutual, pursuant to which we contributed 14 and sold three grocery-anchored shopping centers with a fair value of approximately \$359 million to the new joint venture, GRP I, in exchange for a 15% ownership interest in GRP I. Northwestern Mutual acquired an 85% ownership interest in GRP I by contributing cash of \$167.1 million. The joint venture is set to expire ten years after the date of the agreement, unless otherwise extended by the members. As a part of the transaction, GRP I distributed or paid cash of \$161.8 million to us as well as assumed an existing portfolio mortgage loan of \$175 million with a fair value of \$165 million to which we are the non-recourse carveout guarantor and environmental indemnitor (see Note 16 for more detail). We recognized a gain of \$92.5 million on the transaction which is recorded as Gain on Sale or Contribution of Property, Net on the consolidated statements of operations.

In connection with the merger with REIT III, we assumed a 10% equity interest in GRP II with a fair value of \$5.4 million at acquisition. GRP II was initially formed in November 2018 pursuant to the terms of a joint venture agreement between REIT III and Northwestern Mutual and was set to expire ten years after the date of the joint venture contribution agreement unless otherwise extended by the members.

In October 2020, GRP I acquired GRP II. As a part of the transaction, the carrying amount of our investment in GRP II was contributed to GRP I as consideration for an additional interest in GRP I. Our ownership interest in GRP I upon consummation of the transaction was adjusted to approximately 14% as a result of the acquisition.

Necessity Retail Partners—In connection with the Merger, we assumed a 20% equity interest in NRP. NRP was initially formed in March 2016 pursuant to the terms of a joint venture agreement between REIT II and an affiliate of TPG Real Estate and is set to expire seven years after the date of the joint venture contribution agreement unless otherwise extended by the members. This joint venture agreement required a contribution of up to \$50 million to the joint venture. Of the maximum \$50 million contribution, approximately \$17.5 million was previously contributed by REIT II prior to the Merger. We are in the process of disposing and liquidating the assets of this joint venture as a result the planned expiration.

Subsequent to December 31, 2020, the NRP joint venture sold two properties.

The following table summarizes balances on the consolidated balance sheets related to our unconsolidated joint ventures as of December 31, 2020 and 2019 (dollars in thousands):

Joint Venture	2020				2019			
	Ownership Percentage	Number of Shopping Centers	Investment Balance	Unamortized Basis Difference	Ownership Percentage	Number of Shopping Centers	Investment Balance	Unamortized Basis Difference
NRP	20 %	5	\$ 6,304	\$ 1,381	20 %	8	\$ 10,183	\$ 3,189
GRP I	14 %	20	31,062	—	15 %	17	27,356	—
GRP II	N/A	N/A	N/A	N/A	10 %	3	5,315	879

The following table summarizes the activity on the consolidated statements of operations related to our unconsolidated joint ventures as of December 31, 2020, 2019, and 2018 (in thousands):

	2020		2019		2018	
Distributions to PECO After Formation or Assumption						
NRP		\$ 4,192		\$ 7,167		\$ 200
GRP I		1,047		2,025		—
GRP II		177		40		N/A
Gain (Loss) from Unconsolidated Joint Ventures						
NRP		\$ 2,119		\$ 3,989		\$ (73)
GRP I		(309)		(72)		(35)
GRP II		42		6		N/A
Amortization and Write-Off of Basis Differences						
NRP		\$ 1,808		\$ 2,837		\$ 177
GRP II ⁽¹⁾		879		17		N/A

⁽¹⁾ As part of the merger between GRP I and GRP II, the total remaining value of our GRP II investment of \$5.1 million was contributed to GRP I, and the result of this transaction was an increase in our GRP I investment of \$5.1 million.

8. OTHER ASSETS, NET

The following is a summary of Other Assets, Net outstanding as of December 31, 2020 and 2019, excluding amounts related to assets classified as held for sale (in thousands):

	2020		2019	
Other assets, net:				
Deferred leasing commissions and costs		\$ 41,664		\$ 38,738
Deferred financing expenses ⁽¹⁾		13,971		13,971
Office equipment, ROU assets, and other		21,578		19,430
Corporate intangible assets		6,804		4,883
Total depreciable and amortizable assets		84,017		77,022
Accumulated depreciation and amortization		(45,975)		(35,055)
Net depreciable and amortizable assets		38,042		41,967
Accounts receivable, net ⁽²⁾		46,893		46,125
Accounts receivable - affiliates		543		728
Deferred rent receivable, net ⁽³⁾		32,298		29,291
Derivative asset		—		2,728
Prepaid expense and other		8,694		7,851
Total other assets, net		\$ 126,470		\$ 128,690

⁽¹⁾ Deferred financing expenses per the above table are related to our revolving line of credit, and thus we have elected to classify them as an asset rather than as a contra-liability.

(2) Net of \$8.9 million and \$6.9 million of general reserves for uncollectible amounts as of December 31, 2020 and 2019, respectively. Receivables that were removed for tenants considered to be non-creditworthy were \$22.8 million and \$6.2 million as of December 31, 2020 and 2019, respectively.

(3) Net of \$4.4 million and \$0.7 million of adjustments as of December 31, 2020 and 2019, respectively, for straight-line rent removed for tenants considered to be non-creditworthy.

9. DEBT OBLIGATIONS

The following is a summary of the outstanding principal balances and interest rates, which includes the effect of derivative financial instruments, on our debt obligations as of December 31, 2020 and 2019 (in thousands):

	Interest Rate ⁽¹⁾	2020	2019
Revolving credit facility	LIBOR + 1.4%	\$ —	\$ —
Term loans ⁽²⁾	1.4% - 4.6%	1,622,500	1,652,500
Secured loan facilities	3.4% - 3.5%	395,000	395,000
Mortgages	3.5% - 7.2%	290,022	324,578
Finance lease liability		164	443
Assumed market debt adjustments, net		(1,543)	(1,218)
Deferred financing expenses, net		(13,538)	(17,204)
Total		\$ 2,292,605	\$ 2,354,099

(1) Interest rates are as of December 31, 2020.

(2) Our term loans carry an interest rate of LIBOR plus a spread. While most of the rates are fixed through the use of swaps, there is a portion of these loans that are not subject to a swap, and thus are still indexed to LIBOR.

Revolving Credit Facility—We have a \$500 million revolving credit facility with availability of \$490.4 million, which is net of current issued letters of credit, as of December 31, 2020. The maturity date is October 2021, with additional options to extend the maturity to October 2022. We pay a fee of 0.25% on the unused portion of the facility if our borrowings are less than 50% of our capacity or a fee of 0.15% if our borrowings are greater than 50%, but less than 100%, of our capacity.

In April 2020, we borrowed \$200 million on our revolving credit facility to meet our operating needs for a sustained period due to the COVID-19 pandemic. Our rent and recovery collections during the second quarter, combined with other cost saving initiatives, sufficiently funded our short term operating needs and provided enough stability to allow us to repay in full the outstanding balance on our revolving credit facility in June 2020.

Term Loans—We have six unsecured term loans with maturities ranging from 2022 to 2025. Our term loans have interest rates of LIBOR plus interest rate spreads based on our leverage ratios. We have utilized interest rate swaps to fix the rates on the majority of our term loans, with \$580.5 million in term loans not fixed through such swaps.

In January 2020, we made the final \$30 million payment on our term loan maturing in 2021.

In May 2019, we exercised a \$60 million delayed draw feature on one of our term loans, and we used the proceeds from this draw to pay down our revolving credit facility. In September 2019, we repriced a \$200 million term loan, lowering the interest rate spread from 1.75% over LIBOR to 1.25% over LIBOR, while maintaining the current maturity of September 2024. In October 2019, we repriced a \$175 million term loan from a spread of 1.75% over LIBOR to 1.25% over LIBOR, while maintaining the current maturity of October 2024. Finally, in December 2019, we paid down \$265.9 million in term loan debt primarily with the proceeds from a secured loan as well as the proceeds from property dispositions.

As of December 31, 2020 and 2019, the weighted-average interest rate, including the impact of swaps, on our term loans was 2.7% and 3.2%, respectively.

Secured Debt—Our secured debt includes two facilities secured by certain properties in our portfolio, mortgage loans secured by individual properties, and finance leases. The interest rates on our secured debt are fixed. At the closing of the Merger, we assumed \$102.3 million in mortgage loans. We contributed \$175.0 million of our secured debt to GRP I in November 2018. In connection with the debt contributed to GRP I, we wrote-off deferred financing expenses of \$2.1 million. In December 2019, we executed a \$200 million secured loan. The loan matures in 2030 and has a 3.35% interest rate. As of December 31, 2020 and 2019 our weighted average interest rate for our secured debt was 4.0% and 4.1%, respectively.

Debt Allocation—The allocation of total debt between fixed-rate and variable-rate as well as between secured and unsecured, excluding market debt adjustments and deferred financing expenses, as of December 31, 2020 and 2019, is summarized below (in thousands):

	2020	2019
As to interest rate: ⁽¹⁾		
Fixed-rate debt	\$ 1,727,186	\$ 2,122,021
Variable-rate debt	580,500	250,500
Total	\$ 2,307,686	\$ 2,372,521
As to collateralization:		
Unsecured debt	\$ 1,622,500	\$ 1,652,500
Secured debt	685,186	720,021
Total	\$ 2,307,686	\$ 2,372,521
Weighted-average interest rate ⁽¹⁾	3.1 %	3.4 %

⁽¹⁾ Includes the effects of derivative financial instruments (see Notes 10 and 17).

Maturity Schedule—Below is our maturity schedule with the respective principal payment obligations, excluding finance lease liabilities, market debt adjustments, and deferred financing expenses (in thousands):

	2021	2022	2023	2024	2025	Thereafter	Total
Term loans	\$ —	\$ 375,000	\$ 300,000	\$ 475,000	\$ 472,500	\$ —	\$ 1,622,500
Secured debt	62,589	61,898	79,569	28,162	27,881	424,923	685,022
Total	\$ 62,589	\$ 436,898	\$ 379,569	\$ 503,162	\$ 500,381	\$ 424,923	\$ 2,307,522

10. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives—We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposure to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding, and through the use of derivative financial instruments. Specifically, we enter into interest rate swaps to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of our known or expected cash receipts and our known or expected cash payments principally related to our investments and borrowings.

Cash Flow Hedges of Interest Rate Risk—Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated, and that qualify, as cash flow hedges are recorded in AOCI and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the years ended December 31, 2020 and 2019, such derivatives were used to hedge the variable cash flows associated with certain variable-rate debt. Amounts reported in AOCI related to these derivatives will be reclassified to Interest Expense, Net as interest payments are made on the variable-rate debt. During the next twelve months, we estimate that an additional \$19.1 million will be reclassified from AOCI as an increase to Interest Expense, Net.

The following is a summary of our interest rate swaps that were designated as cash flow hedges of interest rate risk as of December 31, 2020 and 2019 (notional amounts in thousands):

	2020	2019
Count	6	9
Notional amount	\$ 1,042,000	\$ 1,402,000
Fixed LIBOR	1.3% - 2.9%	0.8% - 2.9%
Maturity date	2021 - 2025	2020 - 2025

We assumed five hedges with a notional amount of \$570 million as a part of the Merger. The fair value of the five hedges assumed was \$14.7 million and is amortized over the remaining lives of the respective hedges and recorded in Interest Expense, Net in the consolidated statements of operations. The net unamortized amount remaining as of December 31, 2020 was \$5.0 million.

The table below details the nature of the loss recognized on interest rate derivatives designated as cash flow hedges in the consolidated statements of operations for the years ended December 31, 2020, 2019, and 2018 (in thousands):

	2020		2019		2018	
Amount of loss recognized in Other Comprehensive (Loss) Income	\$	50,552	\$	35,865	\$	895
Amount of loss reclassified from AOCI into interest expense		16,732		2,409		3,261

Credit-risk-related Contingent Features—We have agreements with our derivative counterparties that contain provisions where, if we default, or are capable of being declared in default, on any of our indebtedness, we could also be declared to be in default on our derivative obligations. As of December 31, 2020, the fair value of our derivatives in a net liability position, which included accrued interest but excluded any adjustment for nonperformance risk related to these agreements, was approximately \$54.8 million. As of December 31, 2020, we had not posted any collateral related to these agreements and were not in breach of any agreement provisions. If we had breached any of these provisions, we could have been required to settle our obligations under the agreements at their termination value of \$54.8 million.

11. INCOME TAXES

General—We have elected to be taxed as a REIT under the IRC. To qualify as a REIT, we must meet a number of organization and operational requirements, including a requirement to annually distribute to our stockholders at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding net capital gains. We intend to continue to adhere to these requirements and to maintain our REIT status. As a REIT, we are entitled to a deduction for some or all of the distributions we pay to our stockholders. Accordingly, we are generally subject to U.S. federal income taxes on any taxable income that is not currently distributed to our stockholders. If we fail to qualify as a REIT in any taxable year, we will be subject to U.S. federal income taxes and may not be able to qualify as a REIT until the fifth taxable year following the year of disqualification.

Notwithstanding our qualification as a REIT, we may be subject to certain state and local taxes on our income or properties. In addition, our consolidated financial statements include the operations of certain wholly owned entities that have jointly elected to be treated as a TRS and are subject to U.S. federal, state and local incomes taxes at regular corporate tax rates. As a REIT, we may also be subject to certain U.S. federal excise taxes if we engage in certain types of transactions.

Income tax benefits from uncertain tax positions are recognized in the consolidated financial statements only if we believe it is more likely than not that the uncertain tax position will be sustained based solely on the technical merits of the tax position and consideration of the relevant taxing authority's widely understood administrative practices and precedents. We do not believe that we have any uncertain tax positions at December 31, 2020 and 2019.

The statute of limitations for the federal income tax returns remain open for the 2017 through 2019 tax years. The statute of limitations for state income tax returns remain open in accordance with each state's statute.

Our accounting policy is to classify interest and penalties as a component of income tax expense. We accrued no interest or penalties as of December 31, 2020 and 2019.

Deferred Tax Assets and Liabilities—Deferred income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted income tax rates in effect for the year in which these temporary differences are expected to reverse. Deferred tax assets are recognized only to the extent that it is more likely than not that they will be realized based on consideration of available evidence, including future reversal of existing taxable temporary differences, the magnitude and timing of future projected taxable income and tax planning strategies. We believe, based on available evidence, it is not more likely than not that our net deferred tax assets will be realized in future periods and, therefore, have recorded a valuation allowance equal to the net deferred tax asset balance.

The following is a summary of our deferred tax assets and liabilities as of December 31, 2020 and 2019 (in thousands):

	2020	2019
Deferred tax assets:		
Accrued compensation	\$ 3,250	\$ 3,912
Accrued expenses and reserves	89	70
Net operating loss ("NOL") carryforward	2,787	2,885
Other	306	362
Gross deferred tax assets	6,432	7,229
Less: valuation allowance	(3,183)	(3,661)
Total deferred tax asset	3,249	3,568
Deferred tax liabilities:		
Real estate assets and other capitalized assets	(3,236)	(3,546)
Other	(13)	(22)
Total deferred tax liabilities	(3,249)	(3,568)
Net deferred tax asset	\$ —	\$ —

Our deferred tax assets and liabilities result from the activities of our TRS entities. The TRS entities have a federal NOL carryforward of \$12.2 million. Of this amount, \$1.3 million was generated in 2017 and will expire in 2037 if the NOL is not utilized. The remaining NOL carryforward can be carried forward indefinitely. As of December 31, 2020, the TRS entities have state NOL carryforwards of \$5.0 million, which will expire as determined under each state's statute.

Differences between the net income or loss presented on the consolidated statements of operations and taxable income are primarily related to the timing of the recognition of gain on the sale of investment properties for financial reporting purposes and tax reporting, the recognition of impairment expense for financial reporting purposes which is not deductible for tax reporting purposes, and differences in recognition of rental income and depreciation and amortization expense for both financial reporting and tax reporting.

Distributions—The following table reconciles Net Income (Loss) Attributable to Stockholders to REIT taxable income before the dividends paid deduction for the years ended December 31, 2020, 2019 and 2018 (in thousands):

	2020	2019	2018
Net income (loss) attributable to stockholders	\$ 4,772	\$ (63,532)	\$ 39,138
Net (income) loss from TRS	(702)	5,346	(1,171)
Net income (loss) attributable to REIT operations	4,070	(58,186)	37,967
Book/tax differences	63,846	153,047	33,858
REIT taxable income subject to 90% dividend requirement	\$ 67,916	\$ 94,861	\$ 71,825

For tax purposes, total gross distributions to our stockholders for the year ended December 31, 2020 were approximately \$64.7 million. As permitted under the IRC, we will utilize approximately \$3.2 million of our January 2021 distribution to offset our 2020 REIT taxable income. Our distributions to stockholders for the years ended December 31, 2019 and 2018, respectively, have exceeded 100% of the REIT taxable income.

The tax characterization of our distributions declared for the years ended December 31, 2020 and 2019 was as follows:

	2020	2019
Common stock:		
Ordinary dividends	100.0 %	38.0 %
Non-dividend distributions	— %	53.4 %
Capital gain distributions	— %	8.6 %
Total distributions per share	100.0 %	100.0 %

12. COMMITMENTS AND CONTINGENCIES

Litigation—We are involved in various claims and litigation matters arising in the ordinary course of business, some of which involve claims for damages. Many of these matters are covered by insurance, although they may nevertheless be subject to deductibles or retentions. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the resolution of such claims and litigation will not have a material adverse effect on our consolidated financial statements.

Environmental Matters—In connection with the ownership and operation of real estate, we may potentially be liable for costs and damages related to environmental matters. In addition, we may own or acquire certain properties that are subject to environmental remediation. Depending on the nature of the environmental matter, the seller of the property, a tenant of the property, and/or another third party may be responsible for environmental remediation costs related to a property. Additionally, in connection with the purchase of certain properties, the respective sellers and/or tenants may agree to indemnify us against future remediation costs. We also carry environmental liability insurance on our properties that provides limited coverage for any remediation liability and/or pollution liability for third-party bodily injury and/or property damage claims for which we may be liable. We are not aware of any environmental matters which we believe are reasonably likely to have a material effect on our consolidated financial statements.

Captive Insurance—Our captive insurance company, Silver Rock Insurance, Inc. (“Silver Rock”) provides general liability insurance, wind, reinsurance, and other coverage to us and certain related-party joint ventures. We capitalize Silver Rock in accordance with applicable regulatory requirements.

Silver Rock established annual premiums based on the past loss experience of the insured properties. An independent third party was engaged to perform an actuarial estimate of projected future claims, related deductibles, and projected future expenses necessary to fund associated risk management programs. Premiums paid to Silver Rock may be adjusted based on this estimate. Premiums paid to Silver Rock may be reimbursed by tenants pursuant to specific lease terms.

As of December 31, 2020, we had four letters of credit outstanding totaling approximately \$8.0 million to provide security for our obligations under our insurance and reinsurance contracts.

The following is a summary of the activities in the liability for unpaid losses, which is recorded in Accounts Payable and Other Liabilities on our consolidated balance sheets, for the years ended December 31, 2020 and 2019 (in thousands):

	2020	2019
Beginning balances	\$ 6,021	\$ 5,458
Incurred related to:		
Current year	1,943	1,792
Prior years	2,249	1,248
Total incurred	4,192	3,040
Paid related to:		
Current year	36	78
Prior years	2,791	2,399
Total paid	2,827	2,477
Liabilities for unpaid losses as of December 31	<u>\$ 7,386</u>	<u>\$ 6,021</u>

COVID-19—As of December 31, 2020, we were not aware of any significant liabilities or obligations to waive rent that we have incurred under force majeure or co-tenancy clauses in tenant leases.

Development and Redevelopment—As of December 31, 2020, we had approximately \$7.6 million in an active anchor redevelopment project that we have agreed to perform, of which \$6.1 million is expected to be funded in 2021.

13. EQUITY

General—The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including one vote per nominee in the election of the Board. Our charter does not provide for cumulative voting in the election of directors.

On May 6, 2020, our Board decreased the EVPS of our common stock to \$26.25 based substantially on the estimated market value of our portfolio of real estate properties and our third-party investment management business as of March 31, 2020. The decrease was primarily driven by the negative impact of the COVID-19 pandemic on our non-grocery tenants resulting from social distancing and “stay-at-home” guidelines and the uncertainty of the duration and full effect on the overall economy. We engaged a third-party valuation firm to provide a calculation of the range in EVPS of our common stock as of March 31, 2020, which reflected certain balance sheet assets and liabilities as of that date. Previously, the EVPS of our common stock was set at \$33.30, based substantially on the estimated market value of our portfolio of real estate properties and our third-party investment management business as of March 31, 2019.

Distributions—On March 27, 2020, our Board suspended stockholder distributions, effective after the payment of the March 2020 distribution on April 1, 2020, as a result of the uncertainty surrounding the COVID-19 pandemic. On November 4, 2020,

our Board authorized distributions for the month of December 2020, for stockholders of record at the close of business on December 28, 2020, equal to a monthly amount of \$0.08499999 per share of common stock, or \$1.02 annualized. On December 14, 2020, our Board announced that the date of record for December distributions was moved to December 31, 2020. OP unit holders received distributions at the same rate as common stockholders. We paid this distribution on January 12, 2021.

Dividend Reinvestment Plan—The DRIP allows stockholders to invest distributions in additional shares of our common stock, subject to certain limits. Stockholders who elect to participate in the DRIP may choose to invest all or a portion of their cash distributions in shares of our common stock at a price equal to our most recent EVPS.

Stockholders who elect to participate in the DRIP, and who are subject to U.S. federal income taxation laws, will incur a tax liability on an amount equal to the fair value on the relevant distribution date of the shares of our common stock purchased with reinvested distributions, even though such stockholders have elected not to receive the distributions in cash.

On March 27, 2020, the DRIP was suspended, and the March 2020 distribution was paid in all cash on April 1, 2020. On November 4, 2020, our Board reinstated the DRIP, which became effective beginning with the December 2020 distribution paid in January 2021.

Tender Offer—On November 4, 2020, our Board approved a voluntary tender offer that commenced on November 10, 2020 (the "Tender Offer") for up to 1.5 million shares of our outstanding common stock at a price of \$17.25 per share, for a total value of approximately \$26 million. On December 14, 2020, the Tender Offer was amended to extend the expiration date to December 29, 2020, and the offer to purchase shares was increased to approximately 5.8 million shares, for a total value of approximately \$100 million. All of the other terms and conditions of the Tender Offer remained unchanged. In connection with the Tender Offer, we repurchased 4.5 million shares of common stock for a total value of \$77.6 million, which includes the issuance of 0.9 million common shares in redemption of 0.9 million OP units converted at the time of repurchase. The \$77.6 million due to shareholders who tendered their shares was not yet paid as of December 31, 2020, and is recorded as Accounts Payable and Other Liabilities on our consolidated balance sheets. The amount was subsequently paid on January 5, 2021.

Share Repurchase Program—Our SRP provides an opportunity for stockholders to have shares of common stock repurchased, subject to certain restrictions and limitations. The Board reserves the right, in its sole discretion, at any time and from time to time, to reject any request for repurchase.

On August 7, 2019, the Board suspended the SRP with respect to standard repurchases. The SRP for death, qualifying disability, or determination of incompetence ("DDI") was suspended effective March 27, 2020, in response to the uncertainty of COVID-19. Both the SRP with respect to standard repurchases and the SRP for DDI remains suspended as of December 31, 2020.

On January 8, 2021, the Board adopted the Fourth Amended and Restated Share Repurchase Program ("Fourth Amended SRP"), effective January 14, 2021. Under the Fourth Amended SRP, share repurchases for DDI have been reinstated at \$17.25 per share, and as of March 1, 2021, we have repurchased 21,125 shares for a total value of \$0.4 million. The SRP with respect to standard repurchases remains suspended.

Convertible Noncontrolling Interests—As of December 31, 2020 and 2019, we had approximately 13.3 million and 14.2 million outstanding OP units, respectively. Additionally, certain of our outstanding restricted share and performance share awards will result in the issuance of OP units upon vesting in future periods. These are included in the outstanding unvested award totals disclosed in Note 14.

Under the terms of the Fourth Amended and Restated Agreement of Limited Partnership, OP unit holders may elect to exchange OP units. The Operating Partnership controls the form of the redemption, and may elect to exchange OP units for shares of our common stock, provided that the OP units have been outstanding for at least one year, or for cash. As the form of redemption for OP units is within our control, the OP units outstanding as of December 31, 2020 and 2019, are classified as Noncontrolling Interests within permanent equity on our consolidated balance sheets.

During the year ended December 31, 2020 and 2019, 1.0 million and 0.6 million OP units were converted into shares of our common stock at a 1:1 ratio, respectively. Of the OP units converted in 2020, 0.9 million were converted and repurchased as part of the Tender Offer. The \$8.3 million and \$30.4 million of distributions for the years ended December 31, 2020 and 2019, respectively, that have been paid on OP units are included in Distributions to Noncontrolling Interests on the consolidated statements of equity.

Nonconvertible Noncontrolling Interests—In addition to partnership units of the Operating Partnership, Noncontrolling Interests also includes a 25% minority-owned interest held by a third party in a consolidated partnership, which was not significant to our results in 2020 or 2019 and ceased a majority of its operations in 2019.

14. COMPENSATION

Employee Long Term Incentive Plan—We issue stock awards that vest based upon the completion of a service period (“service-based awards”), as well as awards that vest based upon the achievement of certain performance metrics (“performance-based awards”) under our 2020 Omnibus Incentive Plan (“2020 Incentive Plan”), which became effective in June 2020. The 2020 Incentive Plan replaces the Amended and Restated 2010 Long-Term Incentive Plan, which expired in August 2020. Awards to employees under our 2020 Incentive Plan are typically granted and vest during the first quarter of each year. Service-based awards typically follow a four-year graded vesting schedule and will vest in the form of common stock or OP units. For performance-based awards, the number of shares that vest depends on whether certain financial metrics are met, as calculated over a three-year performance period. For each annual performance-based award, 50% of the shares earned vest at the end of the three-year period and 50% of the shares earned vest following an additional year of service. As such, certain units classified as nonvested performance stock awards as of period-end may have met the performance-based requirements for vesting and are now only subject to an additional year of service-based vesting. Vesting of performance awards is in the form of common stock, or certain awards may vest in the form of OP units at the election of the recipient.

We recognize expense for awards with graded vesting under the accelerated recognition method, whereby each vesting is treated as a separate award with expense for each vesting recognized ratably over the requisite service period. Expense amounts are recorded in General and Administrative or Property Operating on our consolidated statements of operations. The awards are valued according to the EVPS for our common stock at the date of grant. Holders of unvested service-based and performance-based awards are entitled to dividend and distribution rights, but are not entitled to voting rights.

In March 2019, the Compensation Committee of the Company's Board of Directors (the “Committee”) approved a new form of award agreement under the Company's Amended and Restated 2010 Long-Term Incentive Plan for performance-based long term incentive units (“Performance LTIP Units”) and made one-time grants of Performance LTIP Units to certain of our executives. Any amounts earned under the Performance LTIP Unit award agreements will be issued in the form of LTIP Units, which represent OP units that are structured as a profits interest in the Operating Partnership. Dividends will accrue on the Performance LTIP Units until the measurement date, subject to a quarterly distribution of 10% of the regular quarterly distributions.

Independent Director Stock Plan—The Board approves restricted stock awards pursuant to our Amended and Restated 2010 Independent Director Stock Plan. The awards are granted to our independent directors as service-based awards. As of December 31, 2020 and 2019, there were approximately 17,000 and 13,000 outstanding unvested awards granted to independent directors, respectively.

Share-Based Compensation Award Activity—All share-based compensation awards, regardless of the form of payout upon vesting, are presented in the following table, which summarizes our stock-based award activity. For performance-based awards, the number of shares deemed to be issued per the table below reflects the number of units at target performance. Performance-based awards contain terms which dictate that the number of award units to be issued will vary based upon actual performance compared to the respective plan's performance metrics, with the potential for certain awards to earn additional shares beyond target performance (number of units in thousands):

	Restricted Stock Awards ⁽¹⁾	Performance Stock Awards ⁽¹⁾	Phantom Stock Units	Weighted-Average Grant-Date Fair Value ⁽²⁾
Nonvested at January 1, 2018	6	—	815	\$ 30.60
Granted	270	66	—	33.00
Vested	(2)	—	(465)	30.60
Forfeited	(5)	—	(18)	31.14
Nonvested at December 31, 2018	269	66	332	31.80
Granted	157	764	—	33.15
Vested	(65)	—	(256)	31.08
Forfeited	(34)	(3)	(16)	32.31
Nonvested at December 31, 2019	327	827	60	33.00
Granted	146	86	—	32.82
Vested	(101)	—	(58)	32.13
Forfeited	(23)	(8)	(2)	33.00
Nonvested at December 31, 2020	349	905	—	\$ 33.06

⁽¹⁾ The maximum number of award units that could be issued under all outstanding grants was 1.5 million as of December 31, 2020. The number of award units expected to vest was 0.8 million as of December 31, 2020.

⁽²⁾ On an annual basis, we engage an independent third-party valuation advisory consulting firm to estimate the EVPS of our common stock. The weighted-average grant-date fair value calculated herein reflects the EVPS on the grant date.

The expense for all stock-based awards during the years ended December 31, 2020, 2019, and 2018 was \$6.3 million, \$10.1 million, and \$10.4 million, respectively. We had \$11.8 million of unrecognized compensation costs related to these awards that we expect to recognize over a weighted average period of approximately three years. The fair value at the vesting date for stock-based awards that vested during the year ended December 31, 2020 was \$5.0 million.

401(k) Plan—We sponsor a 401(k) plan that provides benefits for qualified employees. Our match of the employee contributions is discretionary and has a five-year vesting schedule. The cash contributions to the plan for the years ended December 31, 2020, 2019, and 2018 were approximately \$0.9 million, \$0.9 million, and \$1.0 million, respectively. All employees who have attained the age of 21 are eligible to participate starting the first day of the month following their date of hire. Employees are vested immediately with respect to employee contributions.

15. EARNINGS PER SHARE

We use the two-class method of computing earnings per share ("EPS"), which is an earnings allocation formula that determines EPS for common stock and any participating securities according to dividends declared (whether paid or unpaid). Under the two-class method, basic EPS is computed by dividing Net Income (Loss) Attributable to Stockholders by the weighted-average number of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur from share equivalent activity.

OP units held by limited partners other than us are considered to be participating securities because they contain non-forfeitable rights to dividends or dividend equivalents, and have the potential to be exchanged for an equal number of shares of our common stock in accordance with the terms of the Fourth Amended and Restated Agreement of Limited Partnership of Phillips Edison Grocery Center Operating Partnership I, L.P.

The impact of these outstanding OP units on basic and diluted EPS has been calculated using the two-class method whereby earnings are allocated to the OP units based on dividends declared and the OP units' participation rights in undistributed earnings. The effects of the two-class method on basic and diluted EPS were immaterial to the consolidated financial statements for the years ended December 31, 2020, 2019, and 2018.

The following table provides a reconciliation of the numerator and denominator of the earnings per share calculations for the years ended December 31, 2020, 2019, and 2018 (in thousands, except per share amounts):

	2020	2019	2018
Numerator:			
Net income (loss) attributable to stockholders - basic	\$ 4,772	\$ (63,532)	\$ 39,138
Net income (loss) attributable to convertible OP units ⁽¹⁾	690	(9,583)	8,136
Net income (loss) - diluted	\$ 5,462	\$ (73,115)	\$ 47,274
Denominator:			
Weighted-average shares - basic	96,760	94,636	65,534
OP units ⁽¹⁾	14,255	14,403	14,818
Dilutive restricted stock awards	141	—	104
Adjusted weighted-average shares - diluted	111,156	109,039	80,456
Earnings per common share:			
Basic income (loss) per share	\$ 0.05	\$ (0.67)	\$ 0.60
Diluted income (loss) per share	\$ 0.05	\$ (0.67)	\$ 0.59

⁽¹⁾ OP units include units that are convertible into common stock or cash, at the Operating Partnership's option. The Operating Partnership income or loss attributable to these OP units, which is included as a component of Net Income (Loss) Attributable to Noncontrolling Interests on the consolidated statements of operations, has been added back in the numerator as these OP units were included in the denominator for all years presented.

Approximately 0.3 million time-based and 0.8 million performance-based unvested stock units were outstanding as of December 31, 2019. These securities were anti-dilutive for the year ended December 31, 2019, and as a result, their impact was excluded from the weighted-average common shares used to calculate diluted EPS for that period. Outstanding restricted stock awards were dilutive for the years ended December 31, 2020 and 2018, and thus are included in the calculation above.

16. REVENUE RECOGNITION AND RELATED PARTY TRANSACTIONS

Revenue—We have entered into agreements with the Managed Funds related to certain advisory, management, and administrative services we provide to their real estate assets in exchange for fees and reimbursement of certain expenses. Summarized below are amounts included in Fee and Management Income. The revenue includes the fees and reimbursements earned by us from the Managed Funds during the years ended December 31, 2020, 2019, and 2018, and also includes other revenues that are not in the scope of ASC 606, but are included in this table for the purpose of disclosing all related party revenues (in thousands):

	2020		2019		2018	
Recurring fees ⁽¹⁾	\$	4,801	\$	6,362	\$	21,036
Transactional revenue and reimbursements ⁽²⁾		2,633		3,329		9,817
Insurance premiums ⁽³⁾		2,386		1,989		2,073
Total fees and management income	\$	9,820	\$	11,680	\$	32,926

⁽¹⁾ Recurring fees include asset management fees and property management fees.

⁽²⁾ Transaction revenue includes items such as leasing commissions, construction management fees, and acquisition fees.

⁽³⁾ Insurance premium income includes amounts for reinsurance from third parties not affiliated with us.

During the year ended December 31, 2019, we recognized a net charge of \$1.9 million in Other Income (Expense), Net on our consolidated statement of operations. The charge was related to a reduction in our related party accounts receivable and organization and offering costs payable for amounts incurred in connection with the REIT III public offering. Remaining accounts receivable and organization and offering costs payable that were outstanding as of September 30, 2019 related to REIT III were settled when we merged with REIT III in October 2019.

Other Related Party Matters—We are the limited guarantor for up to \$190 million, capped at \$50 million in most instances, of debt for our NRP joint venture. As of December 31, 2020, we were also the limited guarantor of a \$175 million mortgage loan for GRP I. Our guaranty in both cases is limited to being the non-recourse carveout guarantor and the environmental indemnitor. We are also party to a separate agreement with Northwestern Mutual in which any potential liability under our guaranty for GRP I will be apportioned between us and Northwestern Mutual based on our respective ownership percentages in GRP I. We have no liability recorded on our consolidated balance sheets for either guaranty as of December 31, 2020 and 2019.

PECO Air L.L.C. ("PECO Air"), an entity in which Mr. Edison, our Chairman and Chief Executive Officer, owns a 50% interest, owns an airplane that we use for business purposes in the course of our operations. We paid approximately \$1.0 million to PECO Air for use of its airplane, and per the terms of our contractual agreements, for the years ended December 31, 2020 and 2019, and \$0.8 million for the year ended December 31, 2018.

17. FAIR VALUE MEASUREMENTS

The following describes the methods we use to estimate the fair value of our financial and nonfinancial assets and liabilities:

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, and Accounts Payable—We consider the carrying values of these financial instruments to approximate fair value because of the short period of time between origination of the instruments and their expected realization.

Real Estate Investments—The purchase prices of the investment properties, including related lease intangible assets and liabilities, were allocated at estimated fair value based on Level 3 inputs, such as discount rates, capitalization rates, comparable sales, replacement costs, income and expense growth rates, and current market rents and allowances as determined by management.

Debt Obligations—We estimate the fair value of our debt by discounting the future cash flows of each instrument at rates currently offered for similar debt instruments of comparable maturities by our lenders using Level 3 inputs. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assuming the debt is outstanding through maturity and considering the debt's collateral (if applicable). We have utilized market information, as available, or present value techniques to estimate the amounts required to be disclosed.

The following is a summary of borrowings as of December 31, 2020 and 2019 (in thousands):

	2020		2019	
	Recorded Principal Balance ⁽¹⁾	Fair Value	Recorded Principal Balance ⁽¹⁾	Fair Value
Term loans	1,610,204	1,621,902	1,636,470	1,656,765
Secured portfolio loan facilities	391,131	404,715	390,780	399,054
Mortgages ⁽²⁾	291,270	303,647	326,849	337,614
Total	\$ 2,292,605	\$ 2,330,264	\$ 2,354,099	\$ 2,393,433

⁽¹⁾ Recorded principal balances include net deferred financing expenses of \$13.5 million and \$17.2 million as of December 31, 2020 and 2019, respectively. Recorded principal balances also include assumed market debt adjustments of \$1.5 million and \$1.2 million as of December 31, 2020 and 2019, respectively. We have recorded deferred financing expenses related to our revolving credit facility, which are not included in these balances, in Other Assets, Net on our consolidated balance sheets.

⁽²⁾ Our finance lease liability is included in the mortgages line item, as presented.

Recurring and Nonrecurring Fair Value Measurements—Our earn-out liability and interest rate swaps are measured and recognized at fair value on a recurring basis, while certain real estate assets and liabilities are measured and recognized at fair value as needed. Fair value measurements that occurred as of and during the years ended December 31, 2020 and 2019 were as follows (in thousands):

	2020			2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring						
Derivative assets ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ 2,728	\$ —
Derivative liability ⁽¹⁾	—	(54,759)	—	—	(20,974)	—
Earn-out liability	—	—	(22,000)	—	—	(32,000)
Nonrecurring						
Impaired real estate assets, net ⁽²⁾	—	19,350	—	—	280,593	—
Impaired corporate intangible asset, net ⁽³⁾	—	—	—	—	—	4,401
Impaired corporate ROU asset, net	—	537	—	—	—	—

⁽¹⁾ We record derivative assets in Other Assets, Net and derivative liabilities in Derivative Liability on our consolidated balance sheets.

⁽²⁾ The carrying value of impaired real estate assets may have subsequently increased or decreased after the measurement date due to capital improvements, depreciation, or sale.

⁽³⁾ The carrying value of our impaired in-place management contracts subsequently decreased after the measurement date, attributable to regular amortization as well as derecognition as part of the merger with REIT III.

Derivative Instruments—As of December 31, 2020 and 2019, we had interest rate swaps that fixed LIBOR on portions of our unsecured term loan facilities.

All interest rate swap agreements are measured at fair value on a recurring basis. 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 interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with the provisions of ASC Topic 820, *Fair Value Measurement*, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we determined that the significant inputs used to value our derivatives fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our counterparties and our own credit risk utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, as of December 31, 2020 and 2019, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Earn-out—As part of our acquisition of PELP in 2017, an earn-out structure was established which gave PELP the opportunity to earn additional OP units based upon the potential achievement of certain performance targets subsequent to the acquisition. After the expiration of certain provisions in 2019, PELP is now eligible to earn between 1.0 million and 1.7 million OP units based on the timing and valuation of a liquidity event for PECO. The liquidity event can occur no later than December 31, 2021 for the maximum shares to be awarded, but can occur as late as December 31, 2023.

We estimate the fair value of this liability on a quarterly basis using the Monte Carlo method. This method requires us to make assumptions about future dividend yields, volatility, and timing and pricing of liquidity events, which are unobservable and are considered Level 3 inputs in the fair value hierarchy. A change in these inputs to a different amount might result in a significantly higher or lower fair value measurement at the reporting date. In calculating the fair value of this liability as of December 31, 2020, we have determined that the most likely range of potential outcomes includes a possibility of no additional OP units issued as well as up to a maximum of 1.7 million units being issued.

We recognized income of \$10.0 million and \$7.5 million related to changes in the fair value of the earn-out liability for the years ended December 31, 2020 and 2019, respectively. These changes in fair value have been and will continue to be recognized in Other Income (Expense), Net in the consolidated statements of operations.

Real Estate Asset Impairment—Our real estate assets are measured and recognized at fair value on a nonrecurring basis dependent upon when we determine an impairment has occurred. During the years ended December 31, 2020, 2019, and 2018, we impaired assets that were under contract or actively marketed for sale at a disposition price that was less than carrying value, or that had other operational impairment indicators. The valuation technique used for the fair value of all impaired real estate assets was the expected net sales proceeds, which we consider to be a Level 2 input in the fair value hierarchy.

We recorded the following expense upon impairment of real estate assets for the years ended December 31, 2020, 2019, and 2018 (in thousands):

	2020		2019		2018	
Impairment of real estate assets	\$	2,423	\$	87,393	\$	40,782

Corporate Intangible Asset Impairment—In connection with our acquisition of PELP, we acquired a corporate intangible asset consisting of in-place management contracts. We evaluate our corporate intangible asset for impairment when a triggering event occurs, or circumstances change, that indicate the carrying value may not be recoverable.

In June 2019, the suspension of the REIT III public offering constituted a triggering event for further review of the corporate intangible asset's fair value compared to its carrying value. We estimated the fair value of the corporate intangible asset using a discounted cash flow model which leveraged certain Level 3 inputs. The evaluation of corporate intangible assets for potential impairment required management to exercise significant judgment and to make certain assumptions. The assumptions utilized in the evaluation included projected future cash flows and a discount rate of 19%. Based on this analysis, we concluded the carrying value exceeded the estimated fair value of the corporate intangible asset, and an impairment charge of \$7.8 million was recorded in Other Income (Expense), Net on the consolidated statements of operations in the second quarter of 2019.

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

The following is a summary of the unaudited quarterly financial information for the years ended December 31, 2020 and 2019. We believe that all necessary adjustments, consisting only of normal recurring adjustments, have been included in the amounts stated below to present fairly, and in accordance with GAAP, the selected quarterly information (in thousands, except per share amounts):

	2020			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 131,523	\$ 119,040	\$ 126,695	\$ 120,759
Net income (loss) attributable to stockholders	9,769	(5,588)	11,784	(11,193)
Net income (loss) per share - basic and diluted	\$ 0.10	\$ (0.06)	\$ 0.12	\$ (0.12)

	2019			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Total revenue	\$ 132,769	\$ 132,581	\$ 136,009	\$ 135,347
Net (loss) income attributable to stockholders	(5,195)	(36,570)	(25,877)	4,110
Net (loss) income per share - basic and diluted	\$ (0.06)	\$ (0.39)	\$ (0.27)	\$ 0.06

Our decrease in revenue beginning in the second quarter of 2020 is mainly attributed to the effects of the COVID-19 pandemic.

19. SUBSEQUENT EVENTS

We have evaluated for disclosure all subsequent events through March 12, 2021, the date the financial statements were originally issued and filed with the SEC.

Distributions—Distributions paid to stockholders and OP unit holders of record subsequent to December 31, 2020 were as follows (in thousands):

Month	Date of Record	Monthly Distribution Rate	Date Distribution Paid	Gross Amount of Distribution Paid	Distribution Reinvested Through the DRIP	Net Cash Distribution
December	12/28/2020	\$0.08499999	1/12/2021	\$ 9,001	\$ 2,461	\$ 6,540
January	1/15/2021	\$0.08499999	2/1/2021	9,042	2,455	6,587
February	2/15/2021	\$0.08499999	3/1/2021	9,051	2,453	6,598

On March 10, 2021, our Board authorized distributions for March 2021 to the stockholders of record at the close of business on March 19, 2021 equal to a monthly amount of \$0.08499999 per share of common stock. OP unit holders will receive distributions at the same rate as common stockholders. We pay distributions to stockholders and OP unit holders based on monthly record dates, and we expect to pay the March 2021 distributions on April 1, 2021.

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Costs Capitalized Subsequent to Acquisition ⁽²⁾	Gross Amount Carried at End of Period ⁽³⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements			Land and Improvements	Buildings and Improvements	Total			
Lakeside Plaza	Salem, VA	\$—	\$3,344	\$5,247	\$732	\$3,491	\$5,832	\$9,323	\$2,754	1988	11/23/2011	
Snow View Plaza	Parma, OH	—	4,104	6,432	1,171	4,326	7,381	11,707	3,767	1981	11/23/2011	
St. Charles Plaza	Davenport, FL	—	4,090	4,399	571	4,228	4,832	9,060	2,828	2007	11/23/2011	
Burwood Village Center	Glen Burnie, MD	—	5,448	10,167	553	5,737	10,431	16,169	4,956	1971	11/23/2011	
Centerpoint	Easley, SC	—	2,404	4,361	1,426	2,986	5,205	8,191	2,422	2002	11/23/2011	
Southampton Village	Tyrone, GA	—	2,670	5,176	965	2,901	5,910	8,811	2,669	2003	11/23/2011	
Cureton Town Center	Waxhaw, NC	—	6,569	6,197	2,632	5,926	9,472	15,398	4,188	2006	12/29/2011	
Tramway Crossing	Sanford, NC	—	2,016	3,071	886	2,492	3,481	5,973	1,944	1996	2/23/2012	
Westin Centre	Fayetteville, NC	—	2,190	3,499	741	2,449	3,981	6,430	2,029	1996/1999	2/23/2012	
Village At Glynn Place	Brunswick, GA	—	5,202	6,095	625	5,309	6,612	11,922	3,805	1992	4/27/2012	
Meadowthorpe Manor Shoppes	Lexington, KY	—	4,093	4,185	613	4,562	4,330	8,892	2,252	1989/2008	5/9/2012	
Brentwood Commons	Bensenville, IL	—	6,105	8,024	2,366	6,306	10,190	16,496	3,991	1981/2001	7/5/2012	
Sidney Towne Center	Sidney, OH	—	1,429	3,802	1,353	2,016	4,568	6,584	2,599	1981/2007	8/2/2012	
Broadway Plaza	Tucson, AZ	5,614	4,979	7,169	1,951	5,808	8,290	14,099	3,770	1982/1995	8/13/2012	
Baker Hill	Glen Ellyn, IL	—	7,068	13,738	10,013	7,664	23,154	30,818	7,287	1998	9/6/2012	
New Prague Commons	New Prague, MN	—	3,248	6,604	1,908	3,395	8,366	11,761	3,447	2008	10/12/2012	
Brook Park Plaza	Brook Park, OH	—	2,545	7,594	773	2,813	8,099	10,912	3,377	2001	10/23/2012	
Heron Creek Towne Center	North Port, FL	—	4,062	4,082	447	4,163	4,429	8,591	2,181	2001	12/17/2012	
Quartz Hill Towne Centre	Lancaster, CA	11,740	6,352	13,529	929	6,663	14,147	20,810	5,091	1991/2012	12/27/2012	
Village One Plaza	Modesto, CA	17,700	5,166	18,752	633	5,255	19,296	24,551	6,308	2007	12/28/2012	
Hilfiker Shopping Center	Salem, OR	—	2,455	4,750	89	2,523	4,771	7,294	1,753	1984/2011	12/28/2012	
Butler Creek	Acworth, GA	—	3,925	6,129	2,931	4,287	8,698	12,985	2,928	1989	1/15/2013	
Fairview Oaks	Ellenwood, GA	6,430	3,563	5,266	857	3,925	5,761	9,686	2,277	1996	1/15/2013	
Grassland Crossing	Alpharetta, GA	—	3,680	5,791	1,033	3,936	6,568	10,504	2,790	1996	1/15/2013	
Hamilton Ridge	Buford, GA	—	4,772	7,168	823	5,035	7,728	12,763	3,384	2002	1/15/2013	
Mableton Crossing	Mableton, GA	—	4,426	6,413	1,458	4,930	7,367	12,297	3,076	1997	1/15/2013	
Shops at Westridge	McDonough, GA	—	2,788	3,901	2,038	2,835	5,892	8,727	2,104	2006	1/15/2013	
Fairlawn Town Centre	Fairlawn, OH	20,000	10,398	29,005	3,638	11,611	31,430	43,041	12,819	1962/1996	1/30/2013	
Macland Pointe	Marietta, GA	—	3,493	5,364	1,097	3,878	6,075	9,953	2,649	1992	2/13/2013	
Kleinwood Center	Spring, TX	—	11,478	18,954	1,267	11,850	19,848	31,699	7,809	2003	3/21/2013	
Murray Landing	Columbia, SC	6,750	3,221	6,856	1,640	3,597	8,120	11,717	2,968	2003	3/21/2013	
Vineyard Shopping Center	Tallahassee, FL	—	2,761	4,221	561	3,028	4,515	7,543	1,886	2002	3/21/2013	
Lutz Lake Crossing	Lutz, FL	—	2,636	6,600	819	2,914	7,142	10,055	2,404	2002	4/4/2013	
Publix at Seven Hills	Spring Hill, FL	—	2,171	5,642	1,055	2,493	6,375	8,868	2,197	1991/2006	4/4/2013	
Hartville Centre	Hartville, OH	—	2,069	3,691	1,785	2,391	5,155	7,546	2,048	1988/2008	4/23/2013	

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽³⁾				Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total	Accumulated Depreciation		
Sunset Shopping Center	Corvallis, OR	15,410	7,933	14,939	839	8,019	15,692	23,711	5,539	1998	5/31/2013
Savage Town Square	Savage, MN	9,000	4,106	9,409	300	4,357	9,458	13,815	3,562	2003	6/19/2013
Glenwood Crossings	Kenosha, WI	—	1,872	9,914	1,051	2,336	10,500	12,837	3,292	1992	6/27/2013
Shiloh Square Shopping Center	Kennesaw, GA	—	4,685	8,729	1,978	4,834	10,558	15,392	3,419	1996/2003	6/27/2013
Pavilions at San Mateo	Albuquerque, NM	—	6,470	18,726	1,701	6,746	20,152	26,897	6,597	1997	6/27/2013
Boronda Plaza	Salinas, CA	14,750	9,027	11,870	623	9,231	12,290	21,521	4,174	2003/2006	7/3/2013
Westwoods Shopping Center	Arvada, CO	—	3,706	11,115	694	4,186	11,328	15,514	3,914	2003	8/8/2013
Paradise Crossing	Lithia Springs, GA	—	2,204	6,064	868	2,490	6,647	9,136	2,253	2000	8/13/2013
Contra Loma Plaza	Antioch, CA	—	3,243	3,926	1,779	3,845	5,103	8,948	1,633	1989	8/19/2013
South Oaks Plaza	St. Louis, MO	—	1,938	6,634	464	2,112	6,924	9,036	2,294	1969/1987	8/21/2013
Yorktown Centre	Millcreek Township, PA	—	3,736	15,396	2,173	4,098	17,207	21,305	6,652	1989/2013	8/30/2013
Dyer Town Center	Dyer, IN	9,023	6,017	10,214	586	6,283	10,534	16,817	3,759	2004/2005	9/4/2013
East Burnside Plaza	Portland, OR	—	2,484	5,422	137	2,560	5,484	8,044	1,499	1955/1999	9/12/2013
Red Maple Village	Tracy, CA	20,584	9,250	19,466	439	9,408	19,747	29,155	5,542	2009	9/18/2013
Crystal Beach Plaza	Palm Harbor, FL	6,360	2,334	7,918	661	2,416	8,498	10,914	2,751	2010	9/25/2013
CitiCentre Plaza	Carroll, IA	—	770	2,530	364	1,031	2,633	3,664	954	1991/1995	10/2/2013
Duck Creek Plaza	Bettendorf, IA	—	4,612	13,007	1,683	5,208	14,094	19,302	4,477	2005/2006	10/8/2013
Cahill Plaza	Inver Grove Heights, MN	—	2,587	5,114	683	2,950	5,433	8,383	1,909	1995	10/9/2013
College Plaza	Normal, IL	—	4,460	17,772	3,325	5,107	20,450	25,557	4,820	1983/1999	10/22/2013
Courthouse Marketplace	Virginia Beach, VA	11,650	6,130	8,061	1,147	6,386	8,952	15,338	2,983	2005	10/25/2013
Hastings Marketplace	Hastings, MN	—	3,980	10,045	777	4,397	10,404	14,801	3,526	2002	11/6/2013
Coquina Plaza	Southwest Ranches, FL	6,192	9,458	11,770	1,117	9,686	12,658	22,345	3,780	1998	11/7/2013
Shoppes of Paradise Lakes	Miami, FL	5,057	5,811	6,020	968	6,072	6,726	12,799	2,283	1999	11/7/2013
Collington Plaza	Bowie, MD	—	12,207	15,142	905	12,394	15,860	28,254	4,876	1996	11/21/2013
Golden Town Center	Golden, CO	14,711	7,065	10,166	1,674	7,460	11,446	18,905	3,914	1993/2003	11/22/2013
Northstar Marketplace	Ramsey, MN	—	2,810	9,204	1,090	2,923	10,182	13,105	3,318	2004	11/27/2013
Bear Creek Plaza	Petoskey, MI	—	5,677	17,611	1,614	5,782	19,120	24,902	6,231	1998/2009	12/18/2013
East Side Square	Springfield, OH	—	394	963	120	412	1,065	1,477	372	2007	12/18/2013
Flag City Station	Findlay, OH	—	4,685	9,630	3,124	4,851	12,588	17,440	3,539	1992	12/18/2013
Hoke Crossing	Clayton, OH	—	481	1,060	398	509	1,430	1,939	\$458	2006	12/18/2013
Southern Hills Crossing	Kettering, OH	—	778	1,481	125	807	1,577	2,384	623	2002	12/18/2013

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽²⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total			
Town & Country Shopping Center	Noblesville, IN	13,480	7,361	16,269	458	7,454	16,634	24,088	5,707	1998	12/18/2013
Sulphur Grove	Huber Heights, OH	—	553	2,142	498	611	2,581	3,192	682	2004	12/18/2013
Southgate Shopping Center	Des Moines, IA	—	2,434	8,358	892	2,835	8,849	11,684	3,107	1972/2013	12/20/2013
Sterling Pointe Center	Lincoln, CA	24,073	7,039	20,822	1,573	7,617	21,816	29,433	6,056	2004	12/20/2013
Arcadia Plaza	Phoenix, AZ	—	5,774	6,904	2,784	5,946	9,516	15,462	2,821	1980	12/30/2013
Stop & Shop Plaza	Enfield, CT	—	8,892	15,028	1,157	9,270	15,807	25,077	5,119	1988/1998	12/30/2013
Fairacres Shopping Center	Oshkosh, WI	—	3,543	5,189	786	3,875	5,643	9,518	2,163	1992/2013	1/21/2014
Savoy Plaza	Savoy, IL	—	4,304	10,895	857	4,770	11,285	16,056	4,123	1999/2007	1/31/2014
The Shops of Uptown	Park Ridge, IL	—	7,744	16,884	1,349	7,934	18,043	25,977	4,830	2006	2/25/2014
Chapel Hill North Center	Chapel Hill, NC	6,538	4,776	10,189	1,338	4,988	11,315	16,303	3,820	1998	2/28/2014
Coppell Market Center	Coppell, TX	11,594	4,870	12,236	246	5,024	12,328	17,352	3,647	2008	3/5/2014
Winchester Gateway	Winchester, VA	—	9,342	23,468	2,088	9,585	25,313	34,898	7,399	2006	3/5/2014
Stonewall Plaza	Winchester, VA	—	7,929	16,642	962	7,990	17,544	25,534	5,250	2007	3/5/2014
Town Fair Center	Louisville, KY	—	8,108	14,411	5,435	8,731	19,223	27,954	5,791	1988/1994	3/12/2014
Villages at Eagles Landing	Stockbridge, GA	1,173	2,824	5,515	1,114	3,365	6,089	9,453	2,286	1995	3/13/2014
Champions Gate Village	Davenport, FL	—	1,814	6,060	266	1,916	6,224	8,140	2,147	2001	3/14/2014
Towne Centre at Wesley Chapel	Wesley Chapel, FL	—	2,466	5,553	566	2,703	5,882	8,585	1,874	2000	3/14/2014
Statler Square	Staunton, VA	7,096	4,108	9,072	901	4,555	9,525	14,081	3,298	1989	3/21/2014
Burbank Plaza	Burbank, IL	—	2,972	4,546	3,925	3,580	7,863	11,443	2,352	1972/1995	3/25/2014
Hamilton Village	Chattanooga, TN	—	12,682	19,103	2,305	12,635	21,455	34,090	7,417	1989	4/3/2014
Waynesboro Plaza	Waynesboro, VA	—	5,597	8,334	145	5,670	8,406	14,076	2,903	2005	4/30/2014
Southwest Marketplace	Las Vegas, NV	—	16,019	11,270	2,920	16,102	14,108	30,209	4,600	2008	5/5/2014
Hampton Village	Taylors, SC	—	5,456	7,254	3,926	5,949	10,688	16,636	3,539	1959/1998	5/21/2014
Central Station	Louisville, KY	12,095	6,143	6,932	2,394	6,454	9,014	15,469	2,881	2005/2007	5/23/2014
Kirkwood Market Place	Houston, TX	—	5,786	9,697	997	5,958	10,522	16,480	3,070	1979/2008	5/23/2014
Fairview Plaza	New Cumberland, PA	—	2,786	8,500	306	2,955	8,638	11,593	2,346	1992/1999	5/27/2014
Broadway Promenade	Sarasota, FL	—	3,831	6,795	339	3,911	7,054	10,965	1,972	2007	5/28/2014
Townfair Center	Indiana, PA	—	7,007	13,233	1,246	7,206	14,281	21,487	4,777	1995/2010	5/29/2014
St. Johns Commons	Jacksonville, FL	—	1,599	10,387	643	1,773	10,856	12,629	3,026	2003	5/30/2014
Heath Brook Commons	Ocala, FL	6,930	3,470	8,352	772	3,690	8,905	12,595	2,625	2002	5/30/2014
Park View Square	Miramar, FL	—	5,700	9,304	550	5,819	9,735	15,554	2,876	2003	5/30/2014
The Orchards	Yakima, WA	—	5,425	8,743	511	5,739	8,940	14,679	2,788	2002	6/3/2014

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽⁵⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total			
Shaw's Plaza Hanover	Hanover, MA	—	2,826	5,314	10	2,826	5,324	8,150	1,588	1994/2000	6/23/2014
Shaw's Plaza Easton	Easton, MA	—	5,520	7,173	621	5,877	7,438	13,315	2,511	1984/2004	6/23/2014
Lynnwood Place	Jackson, TN	—	3,341	4,826	815	3,620	5,362	8,982	1,881	1986/2013	7/28/2014
Thompson Valley Towne Center	Loveland, CO	—	5,758	17,387	1,499	6,153	18,492	24,645	5,240	1999	8/1/2014
Lumina Commons	Wilmington, NC	7,165	2,008	11,249	1,171	2,093	12,335	14,428	3,036	1974/2007	8/4/2014
Driftwood Village	Ontario, CA	—	6,811	12,993	1,590	7,451	13,942	21,394	3,859	1985	8/7/2014
French Golden Gate	Bartow, FL	—	2,599	12,877	1,803	2,856	14,422	17,279	3,771	1960/2011	8/28/2014
Orchard Square	Washington Township, MI	5,903	1,361	11,550	549	1,609	11,851	13,460	3,306	1999	9/8/2014
Trader Joe's Center	Dublin, OH	6,745	2,338	7,922	1,806	2,757	9,309	12,066	2,713	1986	9/11/2014
Palmetto Pavilion	North Charleston, SC	—	2,509	8,526	950	3,208	8,777	11,985	2,353	2003	9/11/2014
Five Town Plaza	Springfield, MA	—	8,912	19,635	6,344	10,029	24,862	34,891	8,480	1970/2013	9/24/2014
Fairfield Crossing	Beavercreek, OH	—	3,572	10,026	113	3,612	10,099	13,711	2,909	1994	10/24/2014
Beavercreek Towne Center	Beavercreek, OH	—	14,055	30,799	2,939	14,911	32,883	47,794	9,886	1994	10/24/2014
Grayson Village	Loganville, GA	—	3,952	5,620	2,052	4,114	7,510	11,624	2,725	2002	10/24/2014
The Fresh Market Commons	Pawleys Island, SC	—	2,442	4,941	128	2,457	5,054	7,511	1,518	2011	10/28/2014
Claremont Village	Everett, WA	—	5,635	10,544	1,094	5,854	11,420	17,273	3,189	1994/2012	11/6/2014
Cherry Hill Marketplace	Westland, MI	—	4,641	10,137	2,740	5,140	12,378	17,518	4,035	1992/2000	12/17/2014
NorWood Shopping Center	Colorado Springs, CO	—	5,358	6,684	556	5,446	7,152	12,598	2,561	2003	1/8/2015
Sunburst Plaza	Glendale, AZ	—	3,435	6,041	1,176	3,583	7,069	10,652	2,537	1970	2/11/2015
Rivermont Station	Johns Creek, GA	—	6,876	8,916	1,888	7,169	10,511	17,680	4,225	1996/2003	2/27/2015
Breakfast Point Marketplace	Panama City Beach, FL	—	5,578	12,052	791	6,010	12,411	18,421	3,497	2009/2010	3/13/2015
Falcon Valley	Lenexa, KS	—	3,131	6,873	278	3,375	6,908	10,283	2,150	2008/2009	3/13/2015
Kohl's Onalaska	Onalaska, WI	—	2,670	5,648	—	2,670	5,648	8,317	1,931	1992/1993	3/13/2015
Coronado Center	Santa Fe, NM	11,560	4,396	16,460	3,765	4,687	19,934	24,621	4,471	1964	5/1/2015
West Creek Plaza	Coconut Creek, FL	5,529	3,459	6,131	286	3,513	6,362	9,876	1,605	2006/2013	7/10/2015
Northwoods Crossing	Taunton, MA	—	10,092	14,437	325	10,278	14,576	24,854	5,306	2003/2010	5/24/2016
Murphy Marketplace	Murphy, TX	—	28,652	33,122	1,451	28,988	34,237	63,225	7,281	2008/2015	6/24/2016
Harbour Village	Jacksonville, FL	—	5,630	16,727	1,319	6,032	17,644	23,676	3,602	2006	9/22/2016
Oak Mill Plaza	Niles, IL	1,059	6,843	13,692	1,192	7,403	14,324	21,726	4,227	1977	10/3/2016
Southern Palms	Tempe, AZ	23,207	10,025	24,346	2,078	10,494	25,956	36,450	6,380	1982	10/26/2016
Golden Eagle Village	Clermont, FL	7,094	3,746	7,735	329	3,822	7,988	11,810	1,744	2011	10/27/2016
Atwater Marketplace	Atwater, CA	—	6,116	7,597	526	6,299	7,941	14,240	1,939	2008	2/10/2017

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost		Costs Capitalized Subsequent to Acquisition ⁽²⁾	Gross Amount Carried at End of Period ⁽³⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements		Land and Improvements	Buildings and Improvements	Total			
Rocky Ridge Town Center	Roseville, CA	20,679	5,449	29,207	677	5,618	29,714	35,333	4,373	1996	4/18/2017
Greentree Centre	Racine, WI	—	2,955	8,718	1,062	3,444	9,291	12,735	1,680	1989/1994	5/5/2017
Sierra Del Oro Towne Centre	Corona, CA	6,849	9,011	17,989	1,382	9,250	19,132	28,382	3,241	1991	6/20/2017
Ashland Junction	Ashland, VA	—	4,987	6,050	(2,982)	3,741	4,313	8,055	3	1989	10/4/2017
Barclay Place Shopping Center	Lakeland, FL	—	1,984	7,174	(2,272)	1,522	5,364	6,886	416	1989	10/4/2017
Barnwell Plaza	Barnwell, SC	—	1,190	1,883	18	1,198	1,893	3,091	862	1985	10/4/2017
Birdneck Shopping Center	Virginia Beach, VA	—	1,900	3,253	602	2,057	3,698	5,755	889	1987	10/4/2017
Crossroads Plaza	Asheboro, NC	—	1,722	2,720	658	2,101	2,999	5,100	865	1984	10/4/2017
Dunlop Village	Colonial Heights, VA	—	2,420	4,892	829	2,593	5,549	8,141	1,089	1987	10/4/2017
Edgecombe Square	Tarboro, NC	—	1,412	2,258	434	1,485	2,620	4,104	1,122	1990	10/4/2017
Emporia West Plaza	Emporia, KS	—	872	3,409	(415)	762	3,104	3,865	294	1980/2000	10/4/2017
Forest Park Square	Cincinnati, OH	—	4,007	5,877	736	4,278	6,343	10,621	1,614	1988	10/4/2017
Goshen Station	Goshen, OH	3,605	1,555	4,621	130	1,649	4,657	6,306	1,280	1973/2003	10/4/2017
The Village Shopping Center	Mooreville, IN	—	2,363	8,325	140	2,098	8,731	10,829	1,262	1965/1997	10/4/2017
Heritage Oaks	Gridley, CA	4,839	2,390	7,404	837	2,410	8,221	10,631	1,903	1979	10/4/2017
Hickory Plaza	Nashville, TN	4,780	2,927	5,099	1,940	2,961	7,005	9,966	1,110	1974/1986	10/4/2017
Highland Fair	Gresham, OR	6,833	3,263	7,979	466	3,350	8,358	11,709	1,334	1984/1999	10/4/2017
High Point Village	Bellefontaine, OH	—	3,386	7,485	(2,392)	2,507	5,972	8,479	636	1988	10/4/2017
Mayfair Village	Hurst, TX	16,398	15,343	16,522	1,865	15,527	18,202	33,729	3,314	1981/2004	10/4/2017
LaPlata Plaza	La Plata, MD	17,860	8,434	22,855	1,954	8,657	24,586	33,243	3,494	2003	10/4/2017
Lafayette Square	Lafayette, IN	7,182	5,387	5,636	43	5,373	5,692	11,065	3,062	1963/2001	10/4/2017
Landen Square	Maineville, OH	—	2,081	3,467	984	2,314	4,218	6,532	1,184	1981/2003	10/4/2017
Melbourne Village Plaza	Melbourne, FL	—	5,418	7,280	(1,343)	4,865	6,490	11,355	824	1987	10/4/2017
Commerce Square	Brownwood, TX	—	6,027	8,341	622	6,287	8,703	14,990	2,141	1969/2007	10/4/2017
Upper Deerfield Plaza	Bridgeton, NJ	—	5,073	5,882	(1,965)	3,956	5,034	8,990	834	1977/1994	10/4/2017
Monfort Heights	Cincinnati, OH	4,216	2,357	3,545	9	2,357	3,554	5,911	771	1987	10/4/2017
Mountain Park Plaza	Roswell, GA	6,341	6,118	6,652	339	6,152	6,957	13,109	1,227	1988/2003	10/4/2017
Nordan Shopping Center	Danville, VA	—	1,911	6,751	655	2,018	7,299	9,316	1,600	1961/2002	10/4/2017
Northside Plaza	Clinton, NC	—	1,406	5,471	291	1,416	5,751	7,168	1,218	1982	10/4/2017
Park Place Plaza	Port Orange, FL	—	2,347	8,458	(2,398)	1,838	6,570	8,407	465	1984	10/4/2017
Parkway Station	Warner Robins, GA	—	3,416	5,309	(1,395)	2,608	4,722	7,330	596	1982	10/4/2017
Parsons Village	Seffner, FL	4,744	3,465	10,864	(4,186)	2,430	7,713	10,143	716	1983/1994	10/4/2017
Portland Village	Portland, TN	—	1,408	5,235	1,134	1,474	6,303	7,777	1,150	1984	10/4/2017

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽³⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total			
Quail Valley Shopping Center	Missouri City, TX	—	2,452	11,501	(4,209)	1,595	8,148	9,743	550	1983	10/4/2017
Hillside - West	Hillside, UT	—	691	1,739	3,870	4,561	1,739	6,300	389	2006	10/4/2017
Rolling Hills Shopping Center	Tucson, AZ	8,336	5,398	11,792	(2,733)	4,600	9,857	14,458	609	1980/1997	10/4/2017
South Oaks Shopping Center	Live Oak, FL	3,220	1,742	5,119	104	1,793	5,172	6,966	1,817	1976/2000	10/4/2017
East Pointe Plaza	Columbia, SC	—	7,496	11,752	(10,072)	3,681	5,495	9,176	734	1990	10/4/2017
Southgate Center	Heath, OH	—	4,246	22,752	462	4,272	23,188	27,460	4,020	1960/1997	10/4/2017
Summerville Galleria	Summerville, SC	—	4,104	8,668	618	4,449	8,941	13,390	1,723	1989/2003	10/4/2017
The Oaks	Hudson, FL	—	3,876	6,668	(1,192)	3,460	5,892	9,352	1,191	1981	10/4/2017
Riverplace Centre	Noblesville, IN	5,175	3,890	4,044	770	4,001	4,703	8,704	1,341	1992	10/4/2017
Town & Country Center	Hamilton, OH	2,065	2,268	4,372	324	2,345	4,618	6,963	1,051	1950	10/4/2017
Powell Villa	Portland, OR	—	3,364	7,318	2,768	3,396	10,054	13,450	1,689	1959/1991	10/4/2017
Towne Crossing Shopping Center	Mesquite, TX	—	5,358	15,584	1,272	5,410	16,803	22,213	2,966	1984	10/4/2017
Village at Waterford	Midlothian, VA	4,173	2,702	5,194	541	2,820	5,617	8,437	1,041	1991	10/4/2017
Buckingham Square	Richardson, TX	—	2,087	6,392	(551)	1,913	6,015	7,928	377	1978	10/4/2017
Western Square Shopping Center	Laurens, SC	—	1,013	3,333	(2,726)	308	1,312	1,620	—	1978/1991	10/4/2017
Windsor Center	Dallas, NC	—	2,488	5,186	359	2,488	5,545	8,032	1,401	1974/1996	10/4/2017
12 West Marketplace	Litchfield, MN	—	835	3,538	110	945	3,538	4,483	1,235	1989	10/4/2017
Orchard Plaza	Altoona, PA	788	2,537	5,366	(3,766)	1,321	2,816	4,136	248	1987	10/4/2017
Willowbrook Commons	Nashville, TN	—	5,384	6,002	293	5,470	6,209	11,678	1,321	2005	10/4/2017
Edgewood Towne Center	Edgewood, PA	—	10,029	22,535	4,071	10,375	26,261	36,636	5,503	1990	10/4/2017
Everson Pointe	Snellville, GA	7,734	4,222	8,421	455	4,360	8,737	13,098	1,727	1999	10/4/2017
Gleneagles Court ⁽⁴⁾	Memphis, TN	—	3,892	8,157	(11,951)	98	—	98	—	1988	10/4/2017
Village Square of Delafield	Delafield, WI	8,257	6,206	6,869	443	6,511	7,008	13,519	1,502	2007	10/4/2017
Shoppes of Lake Village	Leesburg, FL	—	4,065	3,795	1,375	4,110	5,125	9,235	1,681	1987/1998	2/26/2018
Sierra Vista Plaza	Murrieta, CA	—	9,824	11,669	1,370	10,328	12,535	22,863	1,404	1991	9/28/2018
Wheat Ridge Marketplace	Wheat Ridge, CO	11,399	7,926	8,393	799	8,442	8,675	17,117	1,213	1996	10/3/2018
Atlantic Plaza	North Reading, MA	—	12,341	12,699	405	12,607	12,839	25,446	1,831	1959/1973	11/9/2018
Staunton Plaza	Staunton, VA	—	4,818	14,380	31	4,832	14,396	19,229	1,340	2006	11/16/2018
Bethany Village	Alpharetta, GA	—	6,138	8,355	321	6,145	8,668	14,813	992	2001	11/16/2018
Northpark Village	Lubbock, TX	—	3,087	6,047	103	3,102	6,135	9,237	683	1990	11/16/2018
Kings Crossing	Sun City Center, FL	10,467	5,654	11,225	152	5,740	11,292	17,031	1,200	2000/2018	11/16/2018
Lake Washington Crossing	Melbourne, FL	—	4,222	13,553	790	4,264	14,300	18,564	1,822	1987/2012	11/16/2018

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽³⁾				Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total	Accumulated Depreciation		
Kipling Marketplace	Littleton, CO	—	4,020	10,405	215	4,056	10,584	14,640	1,289	1983/2009	11/16/2018
MetroWest Village	Orlando, FL	—	6,841	15,333	321	6,933	15,561	22,495	1,608	1990	11/16/2018
Spring Cypress Village	Houston, TX	—	9,579	14,567	465	9,724	14,888	24,612	1,574	1982/2007	11/16/2018
Commonwealth Square	Folsom, CA	5,932	9,955	12,586	423	9,973	12,991	22,964	2,000	1987	11/16/2018
Point Loomis	Milwaukee, WI	—	4,171	4,901	106	4,171	5,007	9,177	1,183	1965/1991	11/16/2018
Shasta Crossroads	Redding, CA	—	9,598	18,643	(3,907)	8,330	16,004	24,334	1,260	1989/2016	11/16/2018
Milan Plaza	Milan, MI	—	925	1,974	180	930	2,149	3,079	762	1960/1975	11/16/2018
Hilander Village	Roscoe, IL	—	2,571	7,461	537	2,638	7,931	10,568	1,377	1994	11/16/2018
Laguna 99 Plaza	Elk Grove, CA	—	5,422	16,952	136	5,429	17,080	22,509	1,640	1992	11/16/2018
Southfield Center	St. Louis, MO	—	5,612	13,643	872	5,866	14,261	20,127	1,614	1987	11/16/2018
Waterford Park Plaza	Plymouth, MN	—	4,935	19,543	150	4,971	19,657	24,628	2,062	1989	11/16/2018
Colonial Promenade	Winter Haven, FL	—	12,403	22,097	286	12,436	22,350	34,786	2,773	1986/2008	11/16/2018
Willimantic Plaza	Willimantic, CT	—	3,596	8,859	53	3,613	8,895	12,508	1,426	1968/1990	11/16/2018
Quivira Crossings	Overland Park, KS	—	7,512	10,729	775	7,679	11,336	19,016	1,514	1996	11/16/2018
Spivey Junction	Stockbridge, GA	—	4,083	10,414	64	4,091	10,470	14,561	1,156	1998	11/16/2018
Plaza Farmington	Farmington, NM	—	6,322	9,619	59	6,371	9,630	16,000	1,189	2004	11/16/2018
Harvest Plaza	Akron, OH	—	2,693	6,083	58	2,741	6,093	8,835	737	1974/2000	11/16/2018
Oakhurst Plaza	Seminole, FL	—	2,782	4,506	268	2,827	4,729	7,556	654	1974/2001	11/16/2018
Old Alabama Square	Johns Creek, GA	—	10,782	17,359	961	10,790	18,313	29,103	1,809	2000	11/16/2018
North Point Landing	Modesto, CA	20,061	8,040	28,422	426	8,152	28,735	36,887	2,616	1964/2008	11/16/2018
Glenwood Crossing	Cincinnati, OH	—	4,581	3,922	69	4,594	3,978	8,571	743	1999	11/16/2018
Rosewick Crossing	La Plata, MD	—	8,252	23,507	392	8,284	23,866	32,150	2,321	2008	11/16/2018
Vineyard Center	Templeton, CA	5,248	1,753	6,406	43	1,767	6,435	8,202	608	2007	11/16/2018
Ocean Breeze Plaza	Ocean Breeze, FL	—	6,416	9,986	532	6,452	10,482	16,934	1,177	1993/2010	11/16/2018
Central Valley Marketplace	Ceres, CA	15,526	6,163	17,535	41	6,187	17,552	23,739	1,665	2005	11/16/2018
51st & Olive Square	Glendale, AZ	—	2,236	9,038	80	2,248	9,107	11,354	996	1975/2007	11/16/2018
West Acres Shopping Center	Fresno, CA	—	4,866	5,627	307	4,980	5,820	10,800	1,022	1990	11/16/2018
Meadows on the Parkway	Boulder, CO	—	23,954	32,744	813	24,072	33,440	57,512	3,141	1989	11/16/2018
Wyandotte Plaza	Kansas City, KS	—	5,204	17,566	127	5,240	17,657	22,896	1,749	1961/2015	11/16/2018
Broadlands Marketplace	Broomfield, CO	—	7,434	9,459	183	7,538	9,538	17,076	1,140	2002	11/16/2018
Village Center	Racine, WI	—	6,051	26,473	422	6,114	26,832	32,946	2,921	2002/2003	11/16/2018
Shoregate Town Center	Willowick, OH	—	7,152	16,282	762	7,174	17,022	24,196	3,278	1958/2005	11/16/2018
Plano Market Street	Plano, TX	—	14,837	33,178	566	15,099	33,482	48,581	2,997	2009	11/16/2018

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽³⁾				Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total	Accumulated Depreciation		
Island Walk Shopping Center	Fernandina Beach, FL	—	8,190	19,992	687	8,267	20,602	28,869	2,358	1987/2012	11/16/2018
Normandale Village	Bloomington, MN	11,638	8,390	11,407	898	8,668	12,028	20,695	1,947	1973	11/16/2018
North Pointe Plaza	North Charleston, SC	—	10,232	26,348	400	10,474	26,506	36,980	3,377	1989	11/16/2018
Palmer Town Center	Easton, PA	—	7,331	23,525	375	7,327	23,904	31,231	2,402	2005	11/16/2018
Alico Commons	Fort Myers, FL	—	4,670	16,557	491	4,843	16,875	21,718	1,608	2009	11/16/2018
Windover Square	Melbourne, FL	11,048	4,115	13,309	264	4,193	13,495	17,689	1,312	1984/2010	11/16/2018
Rockledge Square	Rockledge, FL	—	3,477	4,469	409	3,496	4,859	8,355	918	1985	11/16/2018
Port St. John Plaza	Port St. John, FL	—	3,305	5,636	(3,444)	1,962	3,535	5,497	289	1986	11/16/2018
Fairfield Commons	Lakewood, CO	—	8,802	29,946	1,052	8,810	30,991	39,800	2,734	1985	11/16/2018
Cocoa Commons	Cocoa, FL	—	4,838	8,247	583	4,851	8,817	13,668	1,271	1986	11/16/2018
Hamilton Mill Village	Dacula, GA	—	7,059	9,734	292	7,087	9,998	17,085	1,186	1996	11/16/2018
Sheffield Crossing	Sheffield Village, OH	—	8,841	10,232	193	9,026	10,240	19,266	1,411	1989	11/16/2018
The Shoppes at Windmill Place	Batavia, IL	—	8,186	16,005	352	8,194	16,350	24,544	1,871	1991/1997	11/16/2018
Stone Gate Plaza	Crowley, TX	7,185	5,261	7,007	209	5,269	7,207	12,477	825	2003	11/16/2018
Everybody's Plaza	Cheshire, CT	—	2,520	10,096	268	2,539	10,345	12,884	978	1960/2005	11/16/2018
Lakewood City Center	Lakewood, OH	—	1,593	10,308	29	1,599	10,332	11,931	923	1991	11/16/2018
Carriagetown Marketplace	Amesbury, MA	—	7,084	15,492	488	7,092	15,971	23,064	1,782	2000	11/16/2018
Crossroads of Shakopee	Shakopee, MN	—	8,869	20,320	327	8,933	20,582	29,515	2,517	1998	11/16/2018
Broadway Pavilion	Santa Maria, CA	—	8,512	20,427	360	8,534	20,765	29,300	2,159	1987	11/16/2018
Sanibel Beach Place	Fort Myers, FL	—	3,918	7,043	647	4,014	7,594	11,608	995	2003	11/16/2018
Shoppes at Glen Lakes	Weeki Wachee, FL	—	3,118	7,473	431	3,156	7,866	11,022	892	2008	11/16/2018
Bartow Marketplace	Cartersville, GA	19,305	11,944	24,610	288	11,968	24,874	36,841	3,706	1995	11/16/2018
Bloomingdale Hills	Riverview, FL	—	4,384	5,179	219	4,389	5,393	9,783	867	2002/2012	11/16/2018
University Plaza	Amherst, NY	—	6,402	9,800	514	6,410	10,306	16,716	2,336	1980/1999	11/16/2018
McKinney Market Street	McKinney, TX	2,236	10,941	16,061	1,467	10,969	17,500	28,469	2,034	2003	11/16/2018
Montville Commons	Montville, CT	—	12,417	11,091	489	12,443	11,554	23,997	1,745	2007	11/16/2018
Shaw's Plaza Raynham	Raynham, MA	—	7,769	26,829	914	7,789	27,724	35,512	3,027	1965/1998	11/16/2018
Suntree Square	Southlake, TX	8,994	6,335	15,642	361	6,350	15,988	22,338	1,625	2000	11/16/2018
Green Valley Plaza	Henderson, NV	—	7,284	16,879	221	7,329	17,056	24,384	1,789	1978/1982	11/16/2018
Crosscreek Village	St. Cloud, FL	—	3,821	9,604	388	3,859	9,953	13,813	1,099	2008	11/16/2018
Market Walk	Savannah, GA	—	20,679	31,836	1,626	20,750	33,391	54,141	3,406	2014/2015	11/16/2018
Livonia Plaza	Livonia, MI	—	4,118	17,037	55	4,151	17,059	21,210	1,867	1988	11/16/2018
Franklin Centre	Franklin, WI	7,255	6,353	5,482	370	6,357	5,849	12,206	1,491	1994/2009	11/16/2018

SCHEDULE III—REAL ESTATE ASSETS AND ACCUMULATED DEPRECIATION
December 31, 2020
(in thousands)

Property Name	City, State	Encumbrances ⁽¹⁾	Initial Cost			Gross Amount Carried at End of Period ⁽⁵⁾			Accumulated Depreciation	Date Constructed/ Renovated	Date Acquired
			Land and Improvements	Buildings and Improvements	Costs Capitalized Subsequent to Acquisition ⁽²⁾	Land and Improvements	Buildings and Improvements	Total			
Plaza 23	Pompton Plains, NJ	—	11,412	40,144	868	11,664	40,760	52,424	3,721	1963/1997	11/16/2018
Shorewood Crossing	Shorewood, IL	—	9,468	20,993	2,519	9,569	23,411	32,980	2,477	2001	11/16/2018
Herndon Place	Fresno, CA	—	7,148	10,071	(853)	6,808	9,559	16,367	668	2005	11/16/2018
Windmill Marketplace	Clovis, CA	—	2,775	7,299	(485)	2,682	6,906	9,588	321	2001	11/16/2018
Riverlakes Village	Bakersfield, CA	13,219	8,567	15,242	523	8,608	15,725	24,332	1,523	1997	11/16/2018
Bells Fork	Greenville, NC	—	2,846	6,455	(875)	2,612	5,815	8,427	—	2006	11/16/2018
Evans Towne Centre	Evans, GA	—	4,018	7,013	191	4,058	7,163	11,222	923	1995	11/16/2018
Mansfield Market Center	Mansfield, TX	—	4,672	13,154	145	4,678	13,292	17,971	1,241	2015	11/16/2018
Ormond Beach Mall	Ormond Beach, FL	—	4,954	7,006	750	5,008	7,702	12,710	1,004	1967/2010	11/16/2018
Heritage Plaza	Carol Stream, IL	9,105	6,205	16,507	309	6,243	16,778	23,022	1,718	1988	11/16/2018
Mountain Crossing	Dacula, GA	3,736	6,602	6,835	147	6,650	6,934	13,585	897	1997	11/16/2018
Seville Commons	Arlington, TX	—	4,689	12,602	858	4,845	13,304	18,149	1,344	1987	11/16/2018
Loganville Town Center	Loganville, GA	—	4,922	6,625	299	5,027	6,819	11,846	939	1997	11/16/2018
Alameda Crossing	Avondale, AZ	12,894	7,785	19,875	2,148	7,834	21,974	29,807	2,245	2005	11/16/2018
Cinco Ranch at Market Center	Katy, TX	—	5,553	14,063	515	5,679	14,452	20,131	1,342	2007/2008	12/12/2018
Naperville Crossings	Naperville, IL	25,380	15,242	30,881	2,303	15,852	32,574	48,426	2,883	2007/2016	4/26/2019
Orange Grove Shopping Center	North Fort Myers, FL	—	2,637	7,340	269	2,873	7,373	10,245	489	1999	10/31/2019
Sudbury Crossing	Sudbury, MA	—	6,483	12,933	129	6,490	13,055	19,545	716	1984	10/31/2019
Ashburn Farm Market Center	Ashburn, VA	—	14,035	16,648	19	14,029	16,673	30,702	919	2000	10/31/2019
Del Paso Marketplace	Sacramento, CA	—	5,722	12,242	141	5,748	12,357	18,105	637	2006	12/12/2019
Hickory Flat Commons	Canton, GA	—	6,976	11,786	586	7,173	12,176	19,348	314	2008	8/17/2020
Roxborough Marketplace	Littleton, CO	—	4,105	12,668	190	4,105	12,858	16,963	155	2005	10/5/2020
Northlake Station LLC ⁽³⁾	Cincinnati, OH	8,108	2,327	11,806	554	2,526	12,161	14,687	1,760	1985	10/6/2006
Corporate Adjustments ⁽⁶⁾		—	6	2,734	(6,311)	(1,570)	(2,002)	(3,572)	(11)		
Totals		\$685,022	\$1,519,458	\$3,088,652	\$179,231	\$1,549,362	\$3,237,986	\$4,787,348	\$695,591		

⁽¹⁾ Encumbrances do not include our finance leases.

⁽²⁾ Reductions to costs capitalized subsequent to acquisition are generally attributable to parcels/outparcels sold, impairments, and assets held-for-sale.

⁽³⁾ The aggregate basis of properties for federal income tax purposes is approximately \$4.8 billion at December 31, 2020.

⁽⁴⁾ The main shopping center at this location was sold and we currently only own an outparcel.

⁽⁵⁾ Amounts consist of corporate building and land.

⁽⁶⁾ Amounts consist of elimination of intercompany construction management fees charged by the property manager to the real estate assets.

Reconciliation of real estate assets at cost:

	2020	2019
Balance at January 1	\$ 4,749,324	\$ 4,848,483
Additions during the year:		
Real estate acquisitions	39,879	126,378
Net additions to/improvements of real estate	57,700	79,396
Adoption of ASC 842	—	4,707
Deductions during the year:		
Real estate dispositions	(54,188)	(185,468)
Impairment of real estate	(5,367)	(118,725)
Real estate held for sale	—	(5,447)
Balance at December 31	<u>\$ 4,787,348</u>	<u>\$ 4,749,324</u>

Reconciliation of accumulated depreciation:

	2020	2019
Balance at January 1	\$ 526,309	\$ 393,970
Additions during the year:		
Depreciation expense	177,860	183,535
Deductions during the year:		
Accumulated depreciation of real estate dispositions	(5,568)	(17,444)
Impairment of real estate	(3,010)	(33,126)
Accumulated depreciation of real estate held for sale	—	(626)
Balance at December 31	<u>\$ 695,591</u>	<u>\$ 526,309</u>

EXPLANATORY NOTE

This Exhibit 99.4 contains certain retrospective revisions that have been made to the consolidated financial statements of Phillips Edison & Company, Inc. (the "Company") that were previously contained in its Quarterly Report on Form 10-Q for the three months ended March 31, 2021 (the "Q1 2021 Form 10-Q") to reflect a reverse stock split. The Company has updated and revised the financial statements and footnotes that were contained in the Q1 2021 Form 10-Q to reflect the retrospective effect of the reverse stock split.

Revisions to the Q1 2021 Form 10-Q included in this Exhibit 99.4 as noted above supersede the corresponding portions of the Q1 2021 Form 10-Q. All other information in the Q1 2021 Form 10-Q remains unchanged. This Exhibit 99.4 does not modify or update the disclosures therein in any way, nor does it reflect any subsequent information or events, other than as required to reflect the changes described above.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2021 AND DECEMBER 31, 2020
(Condensed and Unaudited)
(In thousands, except per share amounts)

	March 31, 2021	December 31, 2020
ASSETS		
Investment in real estate:		
Land and improvements	\$ 1,549,667	\$ 1,549,362
Building and improvements	3,205,125	3,237,986
In-place lease assets	440,009	441,683
Above-market lease assets	65,212	66,106
Total investment in real estate assets	5,260,013	5,295,137
Accumulated depreciation and amortization	(980,981)	(941,413)
Net investment in real estate assets	4,279,032	4,353,724
Investment in unconsolidated joint ventures	33,813	37,366
Total investment in real estate assets, net	4,312,845	4,391,090
Cash and cash equivalents	20,258	104,296
Restricted cash	41,995	27,641
Goodwill	29,066	29,066
Other assets, net	138,068	126,470
Real estate investment and other assets held for sale	24,369	—
Total assets	\$ 4,566,601	\$ 4,678,563
LIABILITIES AND EQUITY		
Liabilities:		
Debt obligations, net	\$ 2,276,972	\$ 2,292,605
Below-market lease liabilities, net	97,865	101,746
Earn-out liability	38,000	22,000
Derivative liabilities	42,970	54,759
Deferred income	19,127	14,581
Accounts payable and other liabilities	80,152	176,943
Liabilities of real estate investment held for sale	2,109	—
Total liabilities	2,557,195	2,662,634
Commitments and contingencies (Note 8)	—	—
Equity:		
Preferred stock, \$0.01 par value per share, 10,000 shares authorized, zero shares issued and outstanding at March 31, 2021 and December 31, 2020	—	—
Common stock, \$0.01 par value per share, 1,000,000 shares authorized, 93,582 and 93,279 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	2,807	2,798
Additional paid-in capital ("APIC")	2,746,891	2,739,358
Accumulated other comprehensive loss ("AOCI")	(41,695)	(52,306)
Accumulated deficit	(1,023,155)	(999,491)
Total stockholders' equity	1,684,848	1,690,359
Noncontrolling interests	324,558	325,570
Total equity	2,009,406	2,015,929
Total liabilities and equity	\$ 4,566,601	\$ 4,678,563

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2021	2020
Revenues:		
Rental income	\$ 127,623	\$ 128,466
Fees and management income	2,286	2,165
Other property income	472	892
Total revenues	130,381	131,523
Operating Expenses:		
Property operating	22,202	21,762
Real estate taxes	16,573	17,112
General and administrative	9,341	10,740
Depreciation and amortization	55,341	56,227
Impairment of real estate assets	5,000	—
Total operating expenses	108,457	105,841
Other:		
Interest expense, net	(20,063)	(22,775)
Gain (loss) on disposal of property, net	13,841	(1,577)
Other (expense) income, net	(15,585)	9,869
Net income	117	11,199
Net income attributable to noncontrolling interests	(14)	(1,430)
Net income attributable to stockholders	\$ 103	\$ 9,769
Earnings per common share:		
Net income per share attributable to stockholders - basic and diluted (Note 10)	\$ 0.00	\$ 0.10
Comprehensive income (loss):		
Net income	\$ 117	\$ 11,199
Other comprehensive income (loss):		
Change in unrealized value on interest rate swaps	12,120	(43,364)
Comprehensive income (loss)	12,237	(32,165)
Net income attributable to noncontrolling interests	(14)	(1,430)
Change in unrealized value on interest rate swaps attributable to noncontrolling interests	(1,509)	5,574
Comprehensive income (loss) attributable to stockholders	\$ 10,714	\$ (28,021)

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Condensed and Unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31, 2021 and 2020								
	Common Stock		APIC	AOCI	Accumulated Deficit	Total Stockholders' Equity	Noncontrolling Interests	Total Equity	
	Shares	Amount							
Balance at January 1, 2020	96,349	\$ 2,890	\$ 2,779,130	\$ (20,762)	\$ (947,252)	\$ 1,814,006	\$ 354,788	\$ 2,168,794	
DRIP	479	14	15,926	—	—	15,940	—	15,940	
Share repurchases	(96)	(3)	(2,697)	—	—	(2,700)	—	(2,700)	
Change in unrealized value on interest rate swaps	—	—	—	(37,790)	—	(37,790)	(5,574)	(43,364)	
Common distributions declared, \$0.503 per share	—	—	—	—	(48,809)	(48,809)	—	(48,809)	
Distributions to noncontrolling interests	—	—	—	—	—	—	(7,105)	(7,105)	
Share-based compensation	34	1	140	—	—	141	(290)	(149)	
Conversion of noncontrolling interests	39	1	1,304	—	—	1,305	(1,305)	—	
Net income	—	—	—	—	9,769	9,769	1,430	11,199	
Balance at March 31, 2020	96,805	\$ 2,903	\$ 2,793,803	\$ (58,552)	\$ (986,292)	\$ 1,751,862	\$ 341,944	\$ 2,093,806	
Balance at January 1, 2021	93,279	\$ 2,798	\$ 2,739,358	\$ (52,306)	\$ (999,491)	\$ 1,690,359	\$ 325,570	\$ 2,015,929	
DRIP	280	8	7,360	—	—	7,368	—	7,368	
Share repurchases	(24)	—	(123)	—	—	(123)	—	(123)	
Change in unrealized value on interest rate swaps	—	—	—	10,611	—	10,611	1,509	12,120	
Common distributions declared, \$0.255 per share	—	—	—	—	(23,767)	(23,767)	—	(23,767)	
Distributions to noncontrolling interests	—	—	—	—	—	—	(3,319)	(3,319)	
Share-based compensation	47	1	325	—	—	326	784	1,110	
Other	—	—	(29)	—	—	(29)	—	(29)	
Net income	—	—	—	—	103	103	14	117	
Balance at March 31, 2021	93,582	\$ 2,807	\$ 2,746,891	\$ (41,695)	\$ (1,023,155)	\$ 1,684,848	\$ 324,558	\$ 2,009,406	

See notes to consolidated financial statements.

PHILLIPS EDISON & COMPANY, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Condensed and Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 117	\$ 11,199
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of real estate assets	54,341	54,817
Impairment of real estate assets	5,000	—
Depreciation and amortization of corporate assets	1,000	1,410
Net amortization of above- and below-market leases	(838)	(788)
Amortization of deferred financing expenses	1,227	1,251
Amortization of debt and derivative adjustments	354	1,061
(Gain) loss on disposal of property, net	(13,841)	1,577
Change in fair value of earn-out liability	16,000	(10,000)
Straight-line rent	(1,424)	(2,288)
Share-based compensation	1,110	(149)
Return on investment in unconsolidated joint ventures	1,546	246
Other	(567)	707
Changes in operating assets and liabilities:		
Other assets, net	(10,787)	(15,117)
Accounts payable and other liabilities	(4,487)	(8,313)
Net cash provided by operating activities	48,751	35,613
CASH FLOWS FROM INVESTING ACTIVITIES:		
Real estate acquisitions	(39,850)	(4,319)
Capital expenditures	(13,537)	(15,965)
Proceeds from sale of real estate	58,356	17,447
Investment in third parties	(3,000)	—
Return of investment in unconsolidated joint ventures	2,721	424
Net cash provided by (used in) investing activities	4,690	(2,413)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from revolving credit facility	—	55,000
Payments on revolving credit facility	—	(21,000)
Payments on mortgages and loans payable	(16,505)	(32,657)
Distributions paid, net of DRIP	(24,296)	(32,792)
Distributions to noncontrolling interests	(4,530)	(7,108)
Repurchases of common stock	(77,765)	(5,176)
Other	(29)	—
Net cash used in financing activities	(123,125)	(43,733)
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(69,684)	(10,533)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Beginning of period	131,937	95,108
End of period	\$ 62,253	\$ 84,575
RECONCILIATION TO CONSOLIDATED BALANCE SHEETS:		
Cash and cash equivalents	\$ 20,258	\$ 36,532
Restricted cash	41,995	48,043
Cash, cash equivalents, and restricted cash at end of period	\$ 62,253	\$ 84,575

PHILLIPS EDISON & COMPANY, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
 FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
 (Condensed and Unaudited)
 (In thousands)

	2021	2020
SUPPLEMENTAL CASH FLOW DISCLOSURE, INCLUDING NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Cash paid for interest	\$ 18,891	\$ 20,329
Right-of-use, ("ROU"), assets obtained in exchange for new lease liabilities	194	551
Accrued capital expenditures	3,442	3,392
Change in distributions payable	(7,897)	77
Change in distributions payable - noncontrolling interests	(1,211)	(3)
Change in accrued share repurchase obligation	(77,642)	(2,476)
Distributions reinvested	7,368	15,940

See notes to consolidated financial statements.

Phillips Edison & Company, Inc.
Notes to Consolidated Financial Statements
(Condensed and Unaudited)
March 31, 2021

1. ORGANIZATION

Phillips Edison & Company, Inc. ("we," the "Company," "PECO," "our," or "us") was formed as a Maryland corporation in October 2009. Substantially all of our business is conducted through Phillips Edison Grocery Center Operating Partnership I, L.P., (the "Operating Partnership"), a Delaware limited partnership formed in December 2009. We are a limited partner of the Operating Partnership, and our wholly-owned subsidiary, Phillips Edison Grocery Center OP GP I LLC, is the sole general partner of the Operating Partnership.

We are a real estate investment trust ("REIT") that invests primarily in well-occupied, grocery-anchored, neighborhood and community shopping centers that have a mix of creditworthy national, regional, and local retailers that sell necessity-based goods and services in strong demographic markets throughout the United States. In addition to managing our own shopping centers, our third-party investment management business provides comprehensive real estate and asset management services to two institutional joint ventures, in which we have a partial ownership interest, and one private fund (collectively, the "Managed Funds") as of March 31, 2021.

As of March 31, 2021, we wholly-owned 278 real estate properties. Additionally, we owned a 20% equity interest in Necessity Retail Partners ("NRP"), a joint venture that owned two properties, and a 14% interest in Grocery Retail Partners I LLC ("GRP I"), a joint venture that owned 20 properties.

The consolidated financial statements and accompanying footnotes give effect to a one-for-three reverse stock split of the Company's common stock, which took place on July 2, 2021. In addition, the consolidated financial statements and accompanying footnotes give effect to a corresponding reverse split of our Operating Partnership's units, or "OP units". As a result of the reverse stock and OP unit split, every three shares of our common stock and OP units have been automatically combined and converted into one issued and outstanding share of common stock or OP unit, as applicable, rounded to the nearest 1/100th share or OP unit. The reverse stock and OP unit splits impact all classes of common stock and OP units proportionately and resulted in no impact on any stockholder's or limited partner's percentage ownership of all issued and outstanding common stock or OP units. These transactions are collectively referred to as the "reverse stock split".

All share and per share data included in these consolidated financial statements and accompanying footnotes give retroactive effect to the reverse stock split.

Additionally, we have effected a reclassification transaction by filing an amendment to our charter, which was previously approved by our stockholders, in which each issued and outstanding share of our common stock was changed into one share of our newly created class of Class B common stock. Our Class B common stock is identical to our common stock that will be offered in the pending offering, except that (i) we do not intend to list our Class B common stock on a national securities exchange in connection with the pending offering, and (ii) upon the six-month anniversary of the listing of our common stock for trading on a national securities exchange (or such earlier date or dates as may be approved by our Board in certain circumstances with respect to all or any portion of the outstanding shares of our Class B common stock), each share of our Class B common stock will automatically, and without any stockholder action, convert into one share of our listed common stock.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Set forth below is a summary of the significant accounting estimates and policies that management believes are important to the preparation of our condensed consolidated interim financial statements. Certain of our accounting estimates are particularly important for an understanding of our financial position and results of operations and require the application of significant judgment by management. For example, significant estimates and assumptions have been made with respect to the useful lives of assets, remaining hold period of assets, recoverable amounts of receivables, and other fair value measurement assessments required for the preparation of the consolidated interim financial statements. As a result, these estimates are subject to a degree of uncertainty.

Beginning in 2020, the coronavirus ("COVID-19") pandemic has caused significant disruption to our operations. All temporarily closed tenants have since been permitted to reopen. Some may be limiting the number of customers allowed in their stores, or have modified their operations in other ways that may impact their profitability, either as a result of government mandates or self-elected efforts to reduce the spread of COVID-19. These actions, as well as the continuing economic impacts of the COVID-19 pandemic, could result in increased permanent store closures. In addition to the permanent closures that have occurred in our portfolio, this could reduce the demand for leasing space in our shopping centers and result in a decline in occupancy and rental revenues in our real estate portfolio. Because of the adverse economic conditions that have occurred as a result of the impacts of the COVID-19 pandemic and the ongoing uncertainty related to the pandemic, it is possible that the estimates and assumptions that have been utilized in the preparation of the consolidated financial statements could change significantly. All of this activity impacts our estimates around the collectibility of revenue and valuation of real estate assets, goodwill and other intangible assets, and certain liabilities, among others.

There were no changes to our significant accounting policies during the three months ended March 31, 2021. For a full summary of our accounting policies, refer to our 2020 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission ("SEC") on March 12, 2021.

Basis of Presentation and Principles of Consolidation—The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and with Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. Readers of these financial statements should refer to our audited consolidated financial statements for the year ended December 31, 2020. In the opinion of management, all normal and recurring adjustments necessary for the fair presentation of the unaudited consolidated financial statements for the periods presented have been included herein. Our results of operations for the three months ended March 31, 2021 are not necessarily indicative of the operating results expected for the full year.

The accompanying consolidated financial statements include our accounts and those of our majority-owned subsidiaries. All intercompany balances and transactions are eliminated upon consolidation.

Certain amounts in prior periods have been reclassified to conform to current presentation.

Income Taxes—Our consolidated financial statements include the operations of wholly-owned subsidiaries that have jointly elected to be treated as Taxable REIT Subsidiaries and are subject to U.S. federal, state, and local income taxes at regular corporate tax rates. We recognized an insignificant amount of federal, state, and local income tax expense for the three months ended March 31, 2021 and 2020, and we retain a full valuation allowance for our deferred tax asset. All income tax amounts are included in Other (Expense) Income, Net on the consolidated statements of operations and comprehensive income (loss) (“consolidated statements of operations”).

Recently Issued Accounting Pronouncements—On January 7, 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2021-01 to amend the scope of the guidance in ASU 2020-04 on facilitation of the effects of reference rate reform on financial reporting. Specifically, the amendments in ASU 2021-01 clarify that certain optional expedients and exceptions in Accounting Standards Codification (“ASC”) Topic 848, *Reference Rate Reform* for contract modifications and hedge accounting apply to derivatives that are affected by the discounting transition. We adopted ASU 2021-01 upon its issuance and the adoption of this standard did not have a material impact on our consolidated financial statements.

Reclassifications—The following line items on our consolidated statement of cash flows for the three months ended March 31, 2020 were reclassified to conform to current year presentation:

- Return on Investment in Unconsolidated Joint Ventures was listed on a separate line from Other Assets, Net; and
 - Net Change in Credit Facility was separated into two lines, Proceeds from Revolving Credit Facility and Payments on Revolving Credit Facility.
-

3. LEASES

Lessor—The majority of our leases are largely similar in that the leased asset is retail space within our properties, and the lease agreements generally contain similar provisions and features, without substantial variations. All of our leases are currently classified as operating leases. Lease income related to our operating leases was as follows for the three months ended March 31, 2021 and 2020 (in thousands):

	March 31, 2021		March 31, 2020	
Rental income related to fixed lease payments ⁽¹⁾	\$	94,966	\$	96,027
Rental income related to variable lease payments ⁽¹⁾		31,401		31,838
Straight-line rent amortization ⁽²⁾		1,369		2,309
Amortization of lease assets		827		779
Lease buyout income		797		94
Adjustments for collectibility ⁽²⁾⁽³⁾		(1,737)		(2,581)
Total rental income	\$	127,623	\$	128,466

⁽¹⁾ Includes rental income related to lease payments before assessing for collectibility.

⁽²⁾ Includes revenue adjustments for non-creditworthy tenants.

⁽³⁾ Contains general reserves; excludes reserves for straight-line rent amortization.

Approximate future fixed contractual lease payments to be received under non-cancelable operating leases in effect as of March 31, 2021, assuming no new or renegotiated leases or option extensions on lease agreements, and including the impact of rent abatements, payment plans, and tenants who have been moved to the cash basis of accounting for revenue recognition purposes are as follows (in thousands):

Year	Amount
Remaining 2021	\$ 284,609
2022	351,031
2023	303,854
2024	248,929
2025	193,599
Thereafter	470,135
Total	\$ 1,852,157

In response to the COVID-19 pandemic, we executed payment plans with our tenants. As of April 20, 2021, we have \$5.2 million of outstanding payment plans with our tenants, and we had recorded rent abatements totaling approximately \$4.4 million during 2021. These payment plans and rent abatements represented approximately 1.4% and 1.1% of our wholly-owned portfolio's annualized base rent ("ABR"), respectively. As of April 20, 2021, approximately 85% of payments are scheduled to be received by December 31, 2021 for all executed payment plans, and the weighted-average remaining term over which we expect to receive payment on executed payment plans is approximately twelve months. For the three months ended March 31, 2021 and 2020, we had \$4.8 million and \$2.8 million, respectively, in unfavorable monthly revenue adjustments for tenants not considered creditworthy. These amounts include the estimated impact of tenants who have filed for bankruptcy. Revenue for tenants deemed non-creditworthy is only recorded as cash is received.

No single tenant comprised 10% or more of our aggregate ABR as of March 31, 2021. As of March 31, 2021, our wholly-owned real estate investments in Florida and California represented 12.4% and 10.4% of our ABR, respectively. As a result, the geographic concentration of our portfolio makes it particularly susceptible to adverse weather or economic events, including the impact of the COVID-19 pandemic, in the Florida and California real estate markets.

Lessee—Lease assets and liabilities, grouped by balance sheet line where they are recorded, consisted of the following as of March 31, 2021 and December 31, 2020 (in thousands):

Balance Sheet Information	Balance Sheet Location	March 31, 2021		December 31, 2020	
ROU assets, net - operating leases	Investment in Real Estate	\$	4,032	\$	3,867
ROU assets, net - operating and finance leases	Other Assets, Net		1,260		1,438
Operating lease liability	Accounts Payable and Other Liabilities		5,774		5,731
Finance lease liability	Debt Obligations, Net		91		164

4. REAL ESTATE ACTIVITY

Property Sales—The following table summarizes our real estate disposition activity (dollars in thousands):

	Three Months Ended March 31,	
	2021	2020
Number of properties sold	6	3
Number of outparcels sold ⁽¹⁾	1	—
Proceeds from sale of real estate	\$ 58,356	\$ 17,447
Gain (loss) on sale of properties, net ⁽²⁾	14,355	(826)

⁽¹⁾ The outparcel sold in the first quarter of 2021 was the only remaining portion of one of our properties, and therefore the sale resulted in a reduction in our total property count.

⁽²⁾ The gain (loss) on sale of properties, net does not include miscellaneous write-off activity, which is also recorded in Gain (Loss) on Disposal of Property, Net on the consolidated statements of operations.

Subsequent to March 31, 2021, we sold two properties for \$20.2 million.

Acquisitions—The following table summarizes our real estate acquisition activity (dollars in thousands):

	Three Months Ended March 31,	
	2021	2020
Number of properties acquired	2	—
Number of outparcels acquired ⁽¹⁾	2	2
Total acquisition price	\$ 39,850	\$ 4,319

⁽¹⁾ Outparcels acquired are adjacent to shopping centers that we own.

The fair value and weighted-average useful life at acquisition for lease intangibles acquired are as follows (dollars in thousands, weighted-average useful life in years):

	Three Months Ended March 31, 2021	
	Fair Value	Weighted-Average Useful Life
In-place leases	\$ 4,155	7
Above-market leases	52	5
Below-market leases	(1,652)	6

Property Held for Sale—As of March 31, 2021, two properties were classified as held for sale. As of December 31, 2020, no properties were classified as held for sale. Properties classified as held for sale as of March 31, 2021 were under contract to sell, with no substantive contingencies, and the prospective buyers had significant funds at risk as of the reporting date. Subsequent to March 31, 2021, one of our held for sale properties was sold. A summary of assets and liabilities for the properties held for sale as of March 31, 2021 is below (in thousands):

	March 31, 2021	
ASSETS		
Total investment in real estate assets, net	\$	23,852
Other assets, net		517
Total assets	\$	24,369
LIABILITIES		
Below-market lease liabilities, net	\$	1,866
Accounts payable and other liabilities		243
Total liabilities	\$	2,109

5. OTHER ASSETS, NET

The following is a summary of Other Assets, Net outstanding as of March 31, 2021 and December 31, 2020, excluding amounts related to assets held for sale (in thousands):

	March 31, 2021	December 31, 2020
Other assets, net:		
Deferred leasing commissions and costs	\$ 42,946	\$ 41,664
Deferred financing expenses ⁽¹⁾	13,971	13,971
Office equipment, ROU assets, and other	22,045	21,578
Corporate intangible assets	6,804	6,804
Total depreciable and amortizable assets	85,766	84,017
Accumulated depreciation and amortization	(47,819)	(45,975)
Net depreciable and amortizable assets	37,947	38,042
Accounts receivable, net ⁽²⁾	47,659	46,893
Accounts receivable - affiliates	1,073	543
Deferred rent receivable, net ⁽³⁾	33,257	32,298
Prepaid expenses and other	15,132	8,694
Investment in third parties	3,000	—
Total other assets, net	<u>\$ 138,068</u>	<u>\$ 126,470</u>

⁽¹⁾ Deferred financing expenses per the above table are related to our revolving line of credit and as such we have elected to classify them as an asset rather than as a contra-liability.

⁽²⁾ Net of \$7.2 million and \$8.9 million of general reserves for uncollectible amounts as of March 31, 2021 and December 31, 2020, respectively. Receivables that were removed for tenants considered to be non-creditworthy were \$19.6 million and \$22.8 million as of March 31, 2021 and December 31, 2020, respectively.

⁽³⁾ Net of \$5.1 million and \$4.4 million of adjustments as of March 31, 2021 and December 31, 2020, respectively, for straight-line rent removed for tenants considered to be non-creditworthy.

6. DEBT OBLIGATIONS

The following is a summary of the outstanding principal balances and interest rates, which include the effect of derivative financial instruments, for our debt obligations as of March 31, 2021 and December 31, 2020 (dollars in thousands):

	Interest Rate ⁽¹⁾	March 31, 2021	December 31, 2020
Revolving credit facility	LIBOR + 1.4%	\$ —	\$ —
Term loans ⁽²⁾	1.4% - 4.6%	1,622,500	1,622,500
Secured loan facilities	3.4% - 3.5%	395,000	395,000
Mortgages	3.5% - 7.2%	273,590	290,022
Finance lease liability		91	164
Assumed market debt adjustments, net		(1,587)	(1,543)
Deferred financing expenses, net		(12,622)	(13,538)
Total		<u>\$ 2,276,972</u>	<u>\$ 2,292,605</u>
Weighted-average interest rate		3.0 %	3.1 %

⁽¹⁾ Interest rates are as of March 31, 2021.

⁽²⁾ Our term loans carry an interest rate of LIBOR plus a spread. While most of the rates are fixed through the use of swaps, there is a portion of these loans that are not subject to a swap, and thus are still indexed to LIBOR.

In April 2021, we repaid \$25.1 million in mortgage loans ahead of their scheduled maturities.

The allocation of total debt between fixed-rate and variable-rate as well as between secured and unsecured, excluding market debt adjustments and deferred financing expenses, net, and including the effects of derivative financial instruments (see Notes 7 and 12) as of March 31, 2021 and December 31, 2020, is summarized below (in thousands):

	March 31, 2021	December 31, 2020
As to interest rate:		
Fixed-rate debt	\$ 1,598,681	\$ 1,727,186
Variable-rate debt	692,500	580,500
Total	<u>\$ 2,291,181</u>	<u>\$ 2,307,686</u>
As to collateralization:		
Unsecured debt	\$ 1,622,500	\$ 1,622,500
Secured debt	668,681	685,186
Total	<u>\$ 2,291,181</u>	<u>\$ 2,307,686</u>

7. DERIVATIVES AND HEDGING ACTIVITIES

Risk Management Objective of Using Derivatives—We are exposed to certain risks arising from both our business operations and economic conditions. We principally manage our exposure to a wide variety of business and operational risks through management of our core business activities. We manage economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of our debt funding, and through the use of derivative financial instruments. Specifically, we enter into interest rate swaps to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. Our derivative financial instruments are used to manage differences in the amount, timing, and duration of our known or expected cash receipts and our known or expected cash payments principally related to our investments and borrowings.

Cash Flow Hedges of Interest Rate Risk—Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for our making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount.

The changes in the fair value of derivatives designated, and that qualify, as cash flow hedges are recorded in AOCI and are subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings. During the three months ended March 31, 2021 and 2020, such derivatives were used to hedge the variable cash flows associated with certain variable-rate debt. Amounts reported in AOCI related to these derivatives will be reclassified to Interest Expense, Net as interest payments are made on the variable-rate debt. During the next twelve months, we estimate that an additional \$18.9 million will be reclassified from AOCI as an increase to Interest Expense, Net.

The following is a summary of our interest rate swaps that were designated as cash flow hedges of interest rate risk as of March 31, 2021 and December 31, 2020 (dollars in thousands):

	March 31, 2021	December 31, 2020
Count	5	6
Notional amount	\$ 930,000	\$ 1,042,000
Fixed LIBOR	1.3% - 2.9%	1.3% - 2.9%
Maturity date	2022 - 2025	2021 - 2025

We assumed five hedges with a notional amount of \$570 million as a part of a merger. The fair value of the five hedges assumed was \$14.7 million and is amortized over the remaining lives of the respective hedges and recorded in Interest Expense, Net in the consolidated statements of operations. The net unamortized amount remaining as of March 31, 2021 and December 31, 2020 was \$4.7 million and \$5.0 million, respectively.

The table below details the nature of the gain and loss recognized on interest rate derivatives designated as cash flow hedges in the consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2021	2020
Amount of gain (loss) recognized in Other Comprehensive Income (Loss)	\$ 7,265	\$ (44,916)
Amount of loss reclassified from AOCI into interest expense	4,855	1,552

Credit-risk-related Contingent Features—We have agreements with our derivative counterparties that contain provisions where, if we default, or are capable of being declared in default, on any of our indebtedness, we could also be declared to be in default on our derivative obligations. As of March 31, 2021, the fair value of our derivatives in a net liability position, which included accrued interest but excluded any adjustment for nonperformance risk related to these agreements, was approximately \$43.0 million. As of March 31, 2021, we had not posted any collateral related to these agreements and were not in breach of any agreement provisions. If we had breached any of these provisions, we could have been required to settle our obligations under the agreements at their termination value of \$43.0 million.

8. COMMITMENTS AND CONTINGENCIES

Litigation—We are involved in various claims and litigation matters arising in the ordinary course of business, some of which involve claims for damages. Many of these matters are covered by insurance, although they may nevertheless be subject to deductibles or retentions. Although the ultimate liability for these matters cannot be determined, based upon information currently available, we believe the resolution of such claims and litigation will not have a material adverse effect on our consolidated financial statements.

Environmental Matters—In connection with the ownership and operation of real estate, we may potentially be liable for costs and damages related to environmental matters. In addition, we may own or acquire certain properties that are subject to environmental remediation. Depending on the nature of the environmental matter, the seller of the property, a tenant of the property, and/or another third party may be responsible for environmental remediation costs related to a property. Additionally, in connection with the purchase of certain properties, the respective sellers and/or tenants may agree to indemnify us against future remediation costs. We also carry environmental liability insurance on our properties that provides limited coverage for any remediation liability and/or pollution liability for third-party bodily injury and/or property damage claims for which we may be liable. We are not aware of any environmental matters which we believe are reasonably likely to have a material effect on our consolidated financial statements.

Captive Insurance—Our captive insurance company, Silver Rock Insurance, Inc. ("Silver Rock") provides general liability insurance, wind, reinsurance, and other coverage to us and our related-party joint ventures. We capitalize Silver Rock in accordance with applicable regulatory requirements.

Silver Rock established annual premiums based on the past loss experience of the insured properties. An independent third party was engaged to perform an actuarial estimate of projected future claims, related deductibles, and projected future expenses necessary to fund associated risk management programs. Premiums paid to Silver Rock may be adjusted based on these estimates, and such premiums may be reimbursed by tenants pursuant to specific lease terms.

As of March 31, 2021, we had four letters of credit outstanding totaling approximately \$8.0 million to provide security for our obligations under Silver Rock's insurance and reinsurance contracts.

9. EQUITY

General—The holders of common stock are entitled to one vote per share on all matters voted on by stockholders, including one vote per nominee in the election of the Board. Our charter does not provide for cumulative voting in the election of directors.

On April 29, 2021, our board of directors ("Board") increased the estimated value per share ("EVPS") of our common stock to \$31.65 based substantially on the estimated market value of our portfolio of real estate properties and our third-party investment management business as of March 31, 2021. We engaged a third-party valuation firm to provide a calculation of the range in EVPS of our common stock as of March 31, 2021, which reflected certain balance sheet assets and liabilities as of that date. Previously, our EVPS was \$26.25, based substantially on the estimated market value of our portfolio of real estate properties and our third-party investment management business as of March 31, 2020.

Dividend Reinvestment Plan—The DRIP allows stockholders to invest distributions in additional shares of our common stock, subject to certain limits. Stockholders who elect to participate in the DRIP may choose to invest all or a portion of their cash distributions in shares of our common stock at a price equal to our most recent EVPS.

Stockholders who elect to participate in the DRIP, and who are subject to U.S. federal income taxation laws, will incur a tax liability on an amount equal to the fair value on the relevant distribution date of the shares of our common stock purchased with reinvested distributions, even though such stockholders have elected not to receive the distributions in cash.

The Third Amended and Restated Dividend Reinvestment Plan has been suspended, beginning with the distribution payable on April 1, 2021. Stockholders will receive their full monthly distribution of \$0.08499999 per share in cash until further notice.

Distributions—Distributions paid to stockholders and Operating Partnership unit ("OP unit") holders of record subsequent to March 31, 2021 were as follows (dollars in thousands, excluding per share amounts):

Month	Date of Record	Monthly Distribution Rate	Date Distribution Paid	Gross Amount of Distribution Paid	Net Cash Distribution
March	3/19/2021	\$ 0.08499999	4/1/2021	\$ 9,059	\$ 9,059
April	4/19/2021	0.08499999	5/3/2021	9,059	9,059

On April 29, 2021, our Board authorized distributions for May 2021 to the stockholders of record at the close of business on May 17, 2021 equal to a monthly amount of \$0.08499999 per share of common stock. OP unit holders will receive distributions at the same rate as common stockholders. We pay distributions to stockholders and OP unit holders based on monthly record dates, and we expect to pay the May 2021 distributions on June 1, 2021.

Share Repurchase Program ("SRP")—The SRP provides an opportunity for stockholders to have shares of common stock repurchased, subject to certain restrictions and limitations. The Board reserves the right, in its sole discretion, at any time and from time to time, to reject any request for repurchase. The Fourth Amended and Restated Share Repurchase Program (the "Fourth Amended SRP"), which is currently limited to repurchases resulting from the death, qualifying disability, or the declaration of incompetence ("DDI") of stockholders, has been suspended, and the March 31, 2021 repurchases related to stockholder DDI were not executed. The SRP for both standard and DDI requests will remain suspended until further notice.

Convertible Noncontrolling Interests—As of March 31, 2021 and December 31, 2020, we had approximately 13.4 million and 13.3 million outstanding OP units, respectively. Additionally, certain of our outstanding restricted share and performance share awards will result in the issuance of OP units upon vesting in future periods.

Under the terms of the Fourth Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement"), OP unit holders may elect to exchange their OP units. The Operating Partnership controls the form of the redemption, and may elect to exchange OP units either for shares of our common stock, provided that the OP units have been outstanding for at least one year, or for cash. As the form of redemption for OP units is within our control, the OP units outstanding as of March 31, 2021 and December 31, 2020 are classified as Noncontrolling Interests within permanent equity on our consolidated balance sheets.

During the three months ended March 31, 2020, approximately 39,300 OP units were converted into shares of our common stock at a 1:1 ratio. There were no OP units converted into shares of our common stock for the three months ended March 31, 2021. The \$3.3 million and \$7.1 million of distributions for the three months ended March 31, 2021 and 2020, respectively, that have been paid on OP units are included in Distributions to Noncontrolling Interests on the consolidated statements of equity.

10. EARNINGS PER SHARE

We use the two-class method of computing earnings per share ("EPS"), which is an earnings allocation formula that determines EPS for common stock and any participating securities according to dividends declared (whether paid or unpaid). Under the two-class method, basic EPS is computed by dividing Net Income Attributable to Stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted EPS reflects the potential dilution that could occur from share equivalent activity.

OP units held by limited partners other than us are considered to be participating securities because they contain non-forfeitable rights to dividends or dividend equivalents, and have the potential to be exchanged for an equal number of shares of our common stock in accordance with the terms of the Partnership Agreement.

The impact of these outstanding OP units on basic and diluted EPS has been calculated using the two-class method whereby earnings are allocated to the OP units based on dividends declared and the OP units' participation rights in undistributed earnings. The effects of the two-class method on basic and diluted EPS were immaterial to the consolidated financial statements during the three months ended March 31, 2021 and 2020.

The following table provides a reconciliation of the numerator and denominator of the earnings per share calculations (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2021	2020
Numerator:		
Net income attributable to stockholders - basic	\$ 103	\$ 9,769
Net income attributable to convertible OP units ⁽¹⁾	14	1,430
Net income - diluted	\$ 117	\$ 11,199
Denominator:		
Weighted-average shares - basic	93,490	96,652
OP units ⁽¹⁾	13,354	14,283
Dilutive restricted stock awards	151	141
Adjusted weighted-average shares - diluted	106,995	111,076
Earnings per common share:		
Basic and diluted income per share	\$ 0.00	\$ 0.10

⁽¹⁾ OP units include units that are convertible into common stock or cash, at the Operating Partnership's option. The Operating Partnership income or loss attributable to these OP units, which is included as a component of Net Income Attributable to Noncontrolling Interests on the consolidated statements of operations, has been added back in the numerator as these OP units were included in the denominator for all periods presented.

11. REVENUE RECOGNITION AND RELATED PARTY TRANSACTIONS

Revenue—We have entered into agreements with the Managed Funds related to certain advisory, management, and administrative services we provide to their real estate assets in exchange for fees and reimbursement of certain expenses. Summarized below are amounts included in Fees and Management Income. The revenue includes the fees and reimbursements earned by us from the Managed Funds, and other revenues that are not in the scope of ASC Topic 606, *Revenue from Contracts with Customers*, but that are included in this table for the purpose of disclosing all related party revenues (in thousands):

	Three Months Ended March 31,			
	2021		2020	
Recurring fees ⁽¹⁾	\$	1,125	\$	1,216
Transactional revenue and reimbursements ⁽²⁾		468		430
Insurance premiums ⁽³⁾		693		519
Total fees and management income	\$	2,286	\$	2,165

⁽¹⁾ Recurring fees include asset management fees and property management fees.

⁽²⁾ Transactional revenue includes items such as leasing commissions, construction management fees, and acquisition fees.

⁽³⁾ Insurance premium income includes amounts for reinsurance from third parties not affiliated with us.

Other Related Party Matters—We are the limited guarantor for up to \$190 million, capped at \$50 million in most instances, of debt for our NRP joint venture. As of March 31, 2021, the outstanding loan balance related to our NRP joint venture was \$32.1 million. As of March 31, 2021, we were also the limited guarantor of a \$175 million mortgage loan for GRP I. Our guaranty in both cases is limited to being the non-recourse carveout guarantor and the environmental indemnitor. Further, in both cases, we are also party to an agreement with our joint venture partners in which any potential liability under such guarantees will be apportioned between us and our applicable joint venture partner based on our respective ownership percentages in the applicable joint venture. We have no liability recorded on our consolidated balance sheets for either guaranty as of March 31, 2021 and December 31, 2020.

12. FAIR VALUE MEASUREMENTS

The following describes the methods we use to estimate the fair value of our financial and nonfinancial assets and liabilities:

Cash and Cash Equivalents, Restricted Cash, Accounts Receivable, and Accounts Payable—We consider the carrying values of these financial instruments to approximate fair value because of the short period of time between origination of the instruments and their expected realization.

Real Estate Investments—The purchase prices of the investment properties, including related lease intangible assets and liabilities, were allocated at estimated fair value based on Level 3 inputs, such as discount rates, capitalization rates, comparable sales, replacement costs, income and expense growth rates, and current market rents and allowances as determined by management.

Debt Obligations—We estimate the fair value of our debt by discounting the future cash flows of each instrument at rates currently offered for similar debt instruments of comparable maturities by our lenders using Level 3 inputs. The discount rates used approximate current lending rates for loans or groups of loans with similar maturities and credit quality, assuming the debt is outstanding through maturity and considering the debt's collateral (if applicable). We have utilized market information, as available, or present value techniques to estimate the amounts required to be disclosed.

The following is a summary of borrowings as of March 31, 2021 and December 31, 2020 (in thousands):

	March 31, 2021				December 31, 2020			
	Recorded Principal Balance ⁽¹⁾		Fair Value		Recorded Principal Balance ⁽¹⁾		Fair Value	
Term loans	\$	1,611,119	\$	1,621,987	\$	1,610,204	\$	1,621,902
Secured portfolio loan facilities		391,251		391,391		391,131		404,715
Mortgages ⁽²⁾		274,602		282,497		291,270		303,647
Total	\$	2,276,972	\$	2,295,875	\$	2,292,605	\$	2,330,264

⁽¹⁾ Recorded principal balances include net deferred financing expenses of \$12.6 million and \$13.5 million as of March 31, 2021 and December 31, 2020, respectively. Recorded principal balances also include assumed market debt adjustments of \$1.6 million and \$1.5 million as of March 31, 2021 and December 31, 2020, respectively. We have recorded deferred financing expenses related to our revolving credit facility, which are not included in these balances, in Other Assets, Net on our consolidated balance sheets.

⁽²⁾ Our finance lease liability is included in the mortgages line item, as presented.

Recurring and Nonrecurring Fair Value Measurements—Our earn-out liability and interest rate swaps are measured and recognized at fair value on a recurring basis, while certain real estate assets and liabilities are measured and recognized at fair value as needed. Fair value measurements that occurred as of and during the three months ended March 31, 2021 and the year ended December 31, 2020, were as follows (in thousands):

	March 31, 2021			December 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Recurring						
Derivative liabilities ⁽¹⁾	\$ —	\$ (42,970)	\$ —	\$ —	\$ (54,759)	\$ —
Earn-out liability	—	—	(38,000)	—	—	(22,000)
Nonrecurring						
Impaired real estate assets, net ⁽²⁾	—	7,150	—	—	19,350	—
Impaired corporate ROU asset, net	—	—	—	—	537	—

⁽¹⁾ We record derivative liabilities in Derivative Liabilities on our consolidated balance sheets.

⁽²⁾ The carrying value of impaired real estate assets may have subsequently increased or decreased after the measurement date due to capital improvements, depreciation, or sale.

Derivative Instruments—As of March 31, 2021 and December 31, 2020, we had interest rate swaps that fixed LIBOR on portions of our unsecured term loan facilities.

All interest rate swap agreements are measured at fair value on a recurring basis. 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 interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

To comply with the provisions of ASC Topic 820, *Fair Value Measurement*, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative contracts for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Although we determined that the significant inputs used to value our derivatives fell within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with our counterparties and our own credit risk utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by us and our counterparties. However, as of March 31, 2021 and December 31, 2020, we have assessed the significance of the impact of the credit valuation adjustments on the overall valuation of our derivative positions and have determined that the credit valuation adjustments are not significant to the overall valuation of our derivatives. As a result, we have determined that our derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Earn-out—As part of our acquisition of Phillips Edison Limited Partnership ("PELP") in 2017, an earn-out structure was established which gave PELP the opportunity to earn additional OP units based upon the potential achievement of certain performance targets subsequent to the acquisition. After the expiration of certain provisions in 2019, PELP is now eligible to earn up to 1.7 million OP units based on the timing and valuation of a liquidity event for PECO. The liquidity event can occur no later than December 31, 2021 for the maximum shares to be awarded, but can occur as late as December 31, 2023.

We estimate the fair value of this liability on a quarterly basis using the Monte Carlo method. This method requires us to make assumptions about future dividend yields, volatility, and timing and pricing of liquidity events, which are unobservable and are considered Level 3 inputs in the fair value hierarchy. A change in these inputs to a different amount might result in a significantly higher or lower fair value measurement at the reporting date. In calculating the fair value of this liability as of March 31, 2021, we have determined that the most likely range of potential outcomes includes a possibility of 0.3 million additional OP units issued as well as up to a maximum of 1.7 million units being issued.

We recorded expense of \$16.0 million and income of \$10.0 million, respectively, for the three months ended March 31, 2021 and March 31, 2020 related to changes in the fair value of the earn-out liability. The increase in the fair value of the liability during the three months ended March 31, 2021 was attributable to an increase in the EVPS of our common stock (as compared with a decrease in EVPS in the comparable prior year period), as described in Note 9, as well as improved market conditions in the first quarter of 2021. The change in fair value for both periods has been recognized in Other (Expense) Income, Net in the consolidated statements of operations.

Real Estate Asset Impairment—Our real estate assets are measured and recognized at fair value, less costs to sell for held-for-sale properties, on a nonrecurring basis dependent upon when we determine an impairment has occurred. During the three months ended March 31, 2021, we impaired an asset that was under contract at a disposition price that was less than carrying value, or that had other operational impairment indicators. The valuation technique used for the fair value of all impaired real estate assets was the expected net sales proceeds, which we consider to be a Level 2 input in the fair value hierarchy. There were no impairment charges recorded during the three months ended March 31, 2020.

On a quarterly basis, we employ a multi-step approach to assess our real estate assets for possible impairment and record any impairment charges identified. The first step is the identification of potential triggering events, such as significant decreases in occupancy or the presence of large dark or vacant spaces. If we observe any of these indicators for a shopping center, we

then perform an additional screen test consisting of a years-to-recover analysis to determine if we will recover the net carrying value of the property over its remaining economic life based upon net operating income ("NOI") as forecasted for the current year. In the event that the results of this first step indicate a triggering event for a center, we proceed to the second step, utilizing an undiscounted cash flow model for the center to identify potential impairment. If the undiscounted cash flows are less than the net book value of the center as of the balance sheet date, we proceed to the third step. In performing the third step, we utilize market data such as capitalization rates and sales price per square foot on comparable recent real estate transactions to estimate fair value of the real estate assets. We also utilize expected net sales proceeds to estimate the fair value of any centers that are actively being marketed for sale. If the estimated fair value of the property is less than the recorded net book value at the balance sheet date, we record an impairment charge.

In addition to these procedures, we also review undeveloped or unimproved land parcels that we own for evidence of impairment and record any impairment charges as necessary. Primary impairment triggers for these land parcels are changes to our plans or intentions with regards to such properties, or planned dispositions at prices that are less than the current carrying values.

Our quarterly impairment procedures have not been altered by the COVID-19 pandemic, as we believe key impairment indicators such as temporary store closings and large dark or vacant spaces will continue to be identified in our review. We have utilized forecasts that incorporate estimated decreases in NOI and cash flows as a result of the COVID-19 pandemic in performing our review procedures for the three months ended March 31, 2021 and 2020. However, it is possible that we could experience unanticipated changes in assumptions that are employed in our impairment review which could impact our cash flows and fair value conclusions. Such unanticipated changes relative to our expectations may include but are not limited to: increases or decreases in the duration or permanence of tenant closures, increases or decreases in collectibility reserves and write-offs, additional capital required to fill vacancies, extended lease-up periods, future closings of large tenants, changes in macroeconomic assumptions such as rate of inflation and capitalization rates, and changes to the estimated timing of disposition of the properties under review.

We recorded the following expense upon impairment of real estate assets (in thousands):

	Three Months Ended March 31,	
	2021	2020
Impairment of real estate assets	\$ 5,000	\$ —

13. SUBSEQUENT EVENTS

In preparing the condensed and unaudited consolidated financial statements, we have evaluated subsequent events through May 4, 2021, the date the financial statements were originally issued and filed with the SEC. Based on this evaluation, we have determined that there were no events that have occurred that require recognition or disclosure, other than certain events and transactions that have been disclosed elsewhere in these consolidated financial statements.