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): September 12, 2023

HighPeak Energy, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-39464**	**84-3533602**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

421 W. 3rd St., Suite 1000
Fort Worth, Texas 76102
(address of principal executive offices) (zip code)

(817) 850-9200
(Registrant's telephone number, including area code)

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

☐ Written communication 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-commencements 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
Common Stock	HPK	The Nasdaq Stock Market LLC
Warrant	HPKEW	The Nasdaq Stock Market LLC

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.

2023 Term Loan Credit Agreement

On September 12, 2023, HighPeak Energy, Inc. (the "Company") entered into a senior secured term loan credit agreement (the "2023 Term Loan Credit Agreement") among the Company, as borrower, Texas Capital Bank ("Texas Capital"), as administrative agent, Chambers Energy Management, LP ("Chambers"), as collateral agent and the lenders from time to time party thereto. The 2023 Term Loan Credit Agreement has a maturity date of September 30, 2026.

The 2023 Term Loan Credit Agreement provides for an aggregated commitment capacity equal to $1.2 billion.

Loans under the 2023 Term Loan Credit Agreement bear interest at a rate per annum equal to the Adjusted Term SOFR (as defined in the 2023 Term Loan Credit Agreement) plus an applicable margin of 7.50%. To the extent that a payment default exists and is continuing, at the election of the Required Lenders (as defined in the 2023 Term Loan Credit Agreement) under the 2023 Term Loan Credit Agreement, all amounts outstanding under the 2023 Term Loan Credit Agreement will bear interest at 2.00% per annum above the rate and margin otherwise applicable thereto. The Company is able to repay any amounts borrowed prior to the maturity date, subject to a concurrent payment of (i) the Make-Whole Amount (as defined in the 2023 Term Loan Credit Agreement) for any optional prepayment prior to the date 18 months after the closing date, (ii) 1.00% of the principal amount being repaid for any optional prepayment on or after the date 18 months after the closing date but prior to the date 24 months after the closing date and (iii) without any premium for any optional prepayment on or after the date that is 24 months after the closing date.

The 2023 Term Loan Credit Agreement is guaranteed by the Company and certain of its subsidiaries and is secured by a first lien security interest in substantially all assets of the Company and certain of its subsidiaries.

The 2023 Term Loan Credit Agreement also contains certain financial covenants, including (i) an asset coverage ratio that may not be less than 1.50 to 1.00 as of the last day of any fiscal quarter and (ii) a total net leverage ratio that may not exceed 2.00 to 1.00 as of the last day of any fiscal quarter.

Additionally, the 2023 Term Loan Credit Agreement contains additional restrictive covenants that limit the ability of the Company and its restricted subsidiaries to, among other things, incur additional indebtedness (with such exceptions including, among other things, a super priority revolving credit facility limited to $100 million), incur additional liens, make investments and loans, enter into mergers and acquisitions, materially increase dividends and other payments, enter into certain hedging transactions, sell assets, engage in transactions with affiliates and make certain capital expenditures based on the Company's total net leverage ratio.

The 2023 Term Loan Credit Facility contains customary mandatory prepayments, including quarterly installments of $30 million in aggregate principal amount beginning March 31, 2024, the prepayment of gross proceeds from an incurred indebtedness other than Permitted Indebtedness (as defined in the 2023 Term Loan Credit Agreement), the prepayment of net cash proceeds for asset sales and hedge terminations in excess of $20 million within one calendar year, and prepayments of Excess Cash Flow (as defined in the 2023 Term Loan Credit Agreement) beginning with the fiscal quarter ending March 31, 2024. In addition, the 2023 Term Loan Credit Agreement is subject to customary events of default, including a change in control. If an event of default occurs and is continuing, the collateral agent or the majority lenders may accelerate any amounts outstanding and terminate lender commitments.

The 2023 Term Loan Credit Facility closed on September 13, 2023 (the "Closing").

The foregoing description of the 2023 Term Loan Credit Agreement is qualified in its entirety by reference to the 2023 Term Loan Credit Agreement, a copy of which is attached hereto as Exhibit 10.1 and is incorporated by reference.

Collateral Agency Agreement

On September 12, 2023, the Company entered into a collateral agency agreement (the "Collateral Agency Agreement") among the Company, Texas Capital, as collateral agent, Chambers, as term representative, and Mercuria Energy Trading SA as first-out representative.

The Collateral Agency Agreement provides for the appointment of Texas Capital, as collateral agent, for the present and future holders of the first lien obligations (including the obligations of the Company and certain of its subsidiaries under the 2023 Term Loan Credit Agreement) to receive, hold, administer and distribute the collateral that is at any time delivered to Texas Capitol or the subject of the Security Documents (as defined in the Collateral Agency Agreement) and to enforce the Security Documents and all interests, rights, powers and remedies of Texas Capital with respect thereto or thereunder and the proceeds thereof.

The foregoing description of the Collateral Agency Agreement is qualified in its entirety by reference to the Collateral Agency Agreement, a copy of which is attached hereto as Exhibit 10.2 and is incorporated by reference.

Item 1.02. Termination of a Material Definitive Agreement.

In connection with the entry into the 2023 Term Loan Credit Agreement, the Credit Agreement, dated as of December 17, 2020, among the Company, as borrower, Wells Fargo Bank, National Association (as successor-in-interest to Fifth Third Bank, National Association), as administrative agent, and the lenders parties thereto (as amended from time to time, the "2020 Credit Agreement") will be terminated, effective as of the Closing. In connection with the termination of the 2020 Credit Agreement, all outstanding obligations for principal, interest and fees under the 2020 Credit Agreement have been paid off in full, and all liens securing such obligations and guarantees of such obligations and securing any letter of credit or hedging obligations (other than those novated pursuant to the terms of the 2023 Term Loan Credit Agreement) permitted by the 2020 Credit Agreement to be secured by such liens will be released.

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

The information set forth under Item 1.01 above is hereby incorporated into this Item 2.03 by reference.

Item 7.01 Regulation FD Disclosure.

On September 15, 2023, the Company issued a press release announcing the Closing of the 2023 Term Loan Credit Agreement. A copy of the press release is attached as Exhibit 99.1 hereto and incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Current Report on Form 8-K under Item 7.01 and set forth in the attached Exhibit 99.1 is deemed to be "furnished" solely pursuant to Item 7.01 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01. Other Events.

Redemption of February Notes

On September 1, 2023, pursuant to the Indenture dated February 26, 2022 (as amended and supplement by the Supplement No. 1 to Indenture dated November 9, 2022) the Company issued to holders of the 10.000% Senior Notes due February 2024 (the "February Notes") a notice of redemption to redeem on September 14, 2023 (or such later date, not later than October 31, 2023, as the conditions precedent thereto are satisfied) all of the February Notes then outstanding at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest to, but not including, September 14, 2023.

Redemption of November Notes

On September 1, 2023, pursuant to each of the Indenture dated November 8. 2022 and the Indenture dated December 12, 2022, the Company issued to holders of the 10.625 % Senior Notes due November 2024 (collectively, the "November Notes") a notice of redemption to redeem on September 14, 2023 (or such later date, not later than October 31, 2023, as the conditions precedent thereto are satisfied) all of the November Notes then outstanding at a redemption price of 100% of the principal amount thereof plus accrued and unpaid interest to, but not including, September 14, 2023, plus the applicable premium calculated as the present value at September 14, 2023 of all required interest payments due on the November Notes through November 15, 2023.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description of Exhibit
10.1#	Term Loan Credit Agreement, dated September 12, 2023, by and between HighPeak Energy, Inc., as borrower, Texas Capital Bank, as administrative agent, Chambers Energy Management, LP, as collateral agent and the lenders from time to time party thereto.
10.2#	Collateral Agency Agreement, dated September 12, 2023, by and between HighPeak Energy, Inc., Texas Capital Bank, as collateral agent, Chambers Energy Management, LP, as term representative, and Mercuria Energy Trading SA, as first-out representative.
99.1	Press release dated September 15, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish a supplemental copy of any omitted schedule or attachment to the SEC upon request.

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.

HIGHPEAK ENERGY, INC.

Date: September 15, 2023

By: /s/ Steven W. Tholen
Name: Steven W. Tholen
Title: Chief Financial Officer

Exhibit 10.1

$1,200,000,000

CREDIT AGREEMENT

among

HIGHPEAK ENERGY, INC.

as Borrower,

The Several Lenders

from Time to Time Parties Hereto,

and

TEXAS CAPITAL BANK,

as Administrative Agent,

and

CHAMBERS ENERGY MANAGEMENT, LP,

as Collateral Agent

Dated as of September 12, 2023

TCBI SECURITIES, INC.,

as Sole Lead Arranger and Sole Book Runner

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This CREDIT AGREEMENT, dated as of September 12, 2023, is by and among HIGHPEAK ENERGY, INC., a Delaware corporation ("***Borrower***"), the several banks and other financial institutions or entities from time to time parties to this Agreement (the "***Lenders***"), TEXAS CAPITAL BANK, as administrative agent (in such capacity, "***Administrative Agent***"), and CHAMBERS ENERGY MANAGEMENT, LP as collateral agent (in such capacity, "***Collateral Agent***").

W I T N E S S E T H:

WHEREAS, Borrower has requested that the Lenders make term loans to Borrower in the aggregate principal amount of up to $1,200,000,000; and

WHEREAS, the Lenders are willing to make such term loans to Borrower on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"***Acceptable Security Interest***" means in any Property, a Lien which (a) exists in favor of CAA Collateral Agent for the benefit of the Secured Parties, (b) is superior to all Liens or rights of any other Person in the Property encumbered thereby (other than Permitted Liens), (c) secures the Obligations, and (d) is perfected and enforceable.

"***Acceptable Successor Agent***" means Chambers Energy Management, LP and any other Person providing administrative agent services in the ordinary course whose short-term issuer credit rating at the time of becoming an agent is A-1 or higher by S&P Global Ratings or whose senior unsecured long-term debt obligations at such time are rated A+ or higher by S&P Global Ratings or, in each case, an equivalent rating by another internationally recognized statistical rating organization of similar standing.

"***Accounting Change***" means as defined in Section 9.18.

"***Additional Hedging Agreements***" means Qualified Hedging Agreements in excess of Hedging Agreements required under Section 5.11 and not prohibited under Section 6.16.

"***Adjusted Term SOFR***" means, for purposes of any calculation, the rate per annum equal to (a) Term SOFR for such calculation plus (b) the Term SOFR Adjustment; provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"***Administrative Agent***" means as defined in the preamble hereto.

"***Affiliate***" means as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, whether by contract or otherwise. Notwithstanding the foregoing, no Lender shall be deemed to be an Affiliate of the Loan Parties.

"***Affiliate Transaction***" means as defined in Section 6.9(a).

"***Agent***" means each of Administrative Agent and Collateral Agent; and "***Agents***" means Administrative Agent and Collateral Agent together.

"***Agent Parties***" means, collectively, Administrative Agent and its Related Parties.

"***Aggregate Exposure***" means with respect to any Lender at any time, an amount equal to (a) until the funding of the Loans on the Closing Date, such Lender's Commitment at such time; or (b) thereafter, the aggregate then unpaid principal amount of such Lender's Loans.

"***Aggregate Exposure Percentage***" means with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the sum of the Aggregate Exposures of all Lenders at such time.

"***Agreement***" means this Credit Agreement, as amended, restated, replaced, supplemented or otherwise modified from time to time.

"***Applicable Margin***" means a rate *per annum* equal to 7.50%.

"***Applicable Percentage***" means as defined in Section 2.7(d).

"***Applicable Price***" means as defined in Section 9.7(k).

"***Applicable Strip Price***" means either (a) with respect to any calculation of the Projected IRR for a Project set forth in a Capital Plan, the NYMEX Strip Price as of any day within the seven-day period immediately prior to the delivery of the applicable Capital Plan or (b) with respect to any calculation of the Projected IRR for a Project set forth in a certificate delivered pursuant to Section 5.2(j), the NYMEX Strip Price as of any day within the seven-day period immediately prior to the delivery of such certificate.

"***Asset Coverage Ratio***" means, as of any date of determination, the ratio of (a) the sum of (i) the PV 10 Value of the Loan Parties' Proved Developed Producing Reserves as set forth in the most recently delivered Reserve Report delivered pursuant hereto and adjusted at the date of determination for production, acquisitions, Dispositions, new discoveries of Hydrocarbons, revisions and extensions and purchases of Hydrocarbon Interests occurring since the date of the most recent Reserve Report previously delivered pursuant hereto, *plus* (ii) the Wells in Progress Value as of such date, *plus* (iii) consolidated cash and Cash Equivalents of the Loan Parties as of such date, to (b) the Consolidated Total Debt as of such date.

"***Asset Sale***" means any Disposition of Property or series of related Dispositions of Property pursuant to clauses (i) or (m) of Section 6.5 which yields aggregate gross proceeds to any Loan Party or any of its Restricted Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds), including any Liquidation of Hedging Agreements.

"***Assignee***" means as defined in Section 9.7(c).

"***Assignment and Assumption***" means as defined in Section 9.7(c).

"***Assignor***" means as defined in Section 9.7(c).

"***Auction***" means as defined in Section 9.7(k).

"***Auction Agent***" means (a) the Administrative Agent or any of its Affiliates or (b) any other financial institution or advisor engaged by Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Auction pursuant to Section 9.7(k).

"***Auction Amount***" means as defined in Section 9.7(k).

"***Auction Notice***" means as defined in Section 9.7(k).

"***Auction Party***" means as defined in Section 9.7(k).

"***Auction Response Date***" means as defined in Section 9.7(k).

"***Available Tenor***" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, 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 2.16(d).

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

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

"***Benchmark***" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate 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 2.16(a).

"***Benchmark Replacement***" means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by Administrative Agent for the applicable Benchmark Replacement Date:

(a) the sum of: (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment;

(b) BSBY; or

(c) the sum of: (i) the alternate benchmark rate that has been selected by Administrative Agent and Borrower, with the approval of Required Lenders, giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a), (b) or (c) 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, (a) with respect to Daily Simple SOFR, 0.11448%, and (b) with respect to any other replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for the Interest Period and Available Tenor for any setting of such Unadjusted 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 Administrative Agent and the Borrower, with the approval of Required Lenders, 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 and/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 Dollar-denominated syndicated credit facilities at such time.

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

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) 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); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date; provided that if the then-current Benchmark is BSBY, "Benchmark Replacement Date" shall mean the BSBY Replacement Date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) 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:

(a) 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);

(b) 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), 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);

(c) 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) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative; or

(d) if the then current Benchmark is BSBY, the occurrence of a BSBY Transition Event.

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 Transition Start Date***" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"***Benchmark Unavailability Period***" means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date 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 2.16 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 2.16.

"***Beneficial Ownership Certification***" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"***Beneficial Ownership Regulation***" means 31 CFR § 1010.230.

"***Benefitted Lender***" means as defined in Section 9.8(a).

"***Bloomberg***" means Bloomberg Index Services Limited.

"***Board***" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"***Board of Directors***" means the board of directors of Borrower or any committee thereof duly authorized to act on behalf of such board, or any other board or committee of Borrower serving a similar function.

"***Borrower***" means as defined in the preamble hereto.

"***Borrowing Date***" means the Business Day specified by Borrower as a date on which Borrower requests the relevant Lenders to make Loans hereunder.

"***Borrowing Notice***" means with respect to any request for borrowing of Loans hereunder, a notice from Borrower, substantially in the form of, and containing the information prescribed by, Exhibit A, delivered to Administrative Agent.

"***BSBY***" means the Bloomberg Short-Term Bank Yield Index rate.

"***BSBY Rate***" means, for any Interest Period with respect to any Loan, the rate per annum equal to the BSBY Screen Rate two Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published on such determination date then BSBY Rate means the BSBY Screen Rate on the first Business Day immediately prior thereto; provided that if the BSBY Rate determined in accordance with the foregoing provisions of this definition would otherwise be less than 0.00%, the BSBY Rate shall be deemed 0.00% for purposes of this Agreement.

"***BSBY Replacement Date***" has the meaning set forth in Section 2.16(f).

"***BSBY Screen Rate***" means the Bloomberg Short-Term Bank Yield Index rate administered by Bloomberg and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by Administrative Agent from time to time).

"***BSBY Transition Event***" means the occurrence of any of the events described in Section 2.16(f)(i) or (ii).

"***Business Day***" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City, New York, or Houston, Texas are authorized or required by law to close.

"***CAA Collateral Agent***" means Texas Capital Bank and its successors, as "Collateral Agent" under and pursuant to the term of the Collateral Agency Agreement.

"***Capital Expenditures***" means for any period, with respect to any Person, the aggregate of all expenditures and costs (whether paid in cash or accrued as liabilities during that period and including that portion of payments under Capital Leases that are capitalized on the balance sheet of such Person) by such Person and its Restricted Subsidiaries during such period which are required to be capitalized under GAAP on a balance sheet of such Person.

"***Capital Lease***" means any lease of a Person with respect to (or other arrangement conveying to a Person the right to use) any Property or a combination thereof, the obligations under which are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP.

"***Capital Lease Obligations***" means with respect to any Person, the obligations of such Person to pay rent or other amounts under any Capital Lease and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"***Capital Plan***" means the Initial Capital Plan and any subsequent listing of Qualifying Projects delivered pursuant to Section 5.2(j) hereof. Each Capital Plan shall be substantially similar to Exhibit L and shall contain, with respect to each such Qualifying Project: (a) the expected timing of the commencement of drilling on the first well that is part of such Qualifying Project and (b) certification by a Responsible Officer that (i) any such calculations and assumptions used in determining that the listed Projects are Qualifying Projects were made in good faith and believed by Borrower to be reasonable at the time made, (ii) each Project included in such Capital Plan is an Eligible Project, and (iii) any Qualifying Project included in such Capital Plan which was also listed in a previous Capital Plan, but for which drilling operations have not yet commenced, continues to be a Qualifying Project as of the date of such subsequent submission.

"***Capital Stock***" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent membership, partnership or other ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

"***Cash Equivalents***" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States of America or any state thereof having combined capital and surplus of not less than $1,000,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a "nationally recognized statistical rating organization" (within the meaning of proposed Rule 3b-10 promulgated by the SEC under the Exchange Act), if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory, the securities of which state, commonwealth, territory, political subdivision or taxing authority (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; and (g) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

"***Cash Management Obligations***" means, with respect to any Person, the obligations (whether contingent or otherwise) of such Person incurred in respect of treasury, depository, credit card, debit card, stored value cards, purchasing or procurement cards and cash management services or automated clearinghouse transfer of funds or any similar services.

"***Casualty Recovery Event***" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding (or proceeding in lieu thereof) relating to any asset of any Loan Party.

"***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 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, implemented, adopted or issued.

"***Change of Control***" means the occurrence of any of the following:

(a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and the Restricted Subsidiaries taken as a whole to any Person (including, without limitation, any "person" (as that term is used in Section 13(d)(3) of the Exchange Act));

(b) the adoption of a plan relating to the liquidation or dissolution of the Borrower;

(c) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including, without limitation, any "person" (as defined above)), excluding the Permitted Investors, becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of Borrower, measured by voting power rather than number of shares, units or the like; or

(d) the occurrence of a "change of control" or similar term, as defined in the Senior Credit Facility.

"***Closing Date***" means the date on which the conditions precedent set forth in Section 4.1 shall have been satisfied, which date shall be not earlier than one Business Day after the date of this Agreement or later than four Business Days after the date of this Agreement.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time.

"***Collateral***" means all Property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document.

"***Collateral Agent***" means as defined in the preamble hereto.

"***Collateral Agency Agreement***" means that certain Collateral Agency Agreement, dated as of the date hereof, by and among Texas Capital Bank, in its capacity as the collateral agent thereunder, Collateral Agent, in its capacity as "Term Representative" thereunder, the "First-Out Representative" thereunder, and the agent under any Senior Credit Facility (on behalf of itself and all other secured parties under such Senior Credit Facility) and other Qualified Hedging Counterparties, from time to time party thereto.

"***Commercial Lending Institution***" means a commercial bank engaged in oil and gas reserves-based lending in the ordinary course of their respective businesses, including Fifth Third Bank, N.A. and any assignee of any of the foregoing which is not otherwise a Commercial Lending Institution provided the assignee is either an Affiliate of the assigning Commercial Lending Institution, a fund managed or administered by the assigning Commercial Lending Institution or an Affiliate thereof or a fund that is managed or administered by a Person or an Affiliate of such Person (as defined in this definition) that manages or administers the assigning Commercial Lending Institution.

"***Commitment***" means as to any Lender, the obligation of such Lender, if any, to make a Loan to Borrower hereunder in a principal amount not to exceed the amount set forth under the heading "Commitment" opposite such Lender's name on Schedule 1.1(a) hereto, or, as the case may be, in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be reduced pursuant to Section 2.1. The original aggregate amount of the Commitments is $1,200,000,000.

"***Communications***" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to Administrative Agent, any Lender, or Collateral Agent by means of electronic communications pursuant to Section 9.2(c), including through the Platform.

"***Compliance Certificate***" means a certificate duly executed by a Responsible Officer, substantially in the form of Exhibit B.

"***Conforming Changes***" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.12 and other technical, administrative or operational matters) that Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by Administrative Agent in a manner substantially consistent with market practice (or, if Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"***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 Current Assets***" means at any date, the total consolidated current assets of Borrower at such date, determined in conformity with GAAP, but excluding (a) all non-cash assets under ASC 815, (b) accounts receivable overdue by more than 90 days and (c) assets to the extent resulting from non-cash gains required under ASC 410.

"***Consolidated Current Liabilities***" means at any date, all liabilities of Borrower and its Restricted Subsidiaries at such date which should, in conformity with GAAP, be classified as current liabilities on a consolidated balance sheet of Borrower, but excluding, without duplication, (a) all non-cash obligations under ASC 815, (b) the current portion of any long-term Indebtedness, (c) any non-cash liabilities recorded in connection with stock-based or similar incentive-based compensation awards or arrangements and (d) liabilities to the extent resulting from non-cash losses or charges required under ASC 410.

"***Consolidated EBITDAX***" means for any period, the Consolidated Net Income of Borrower and its Restricted Subsidiaries for such period *plus*, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) all Taxes based on income, profits (including any margin Tax related thereto) or capital gains of Borrower and its Restricted Subsidiaries, including, without limitation, federal, state, local, franchise and similar Taxes and any penalties and interest related to such Taxes arising from any Tax examinations, (b) Consolidated Interest Expense of Borrower, (c) depreciation and amortization expense, (d) accretion of discount on asset retirement obligations, (e) exploration and abandonment expense, (f) non-cash stock-based compensation expense, (g) any extraordinary, unusual or non-recurring expenses or losses (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, losses on sales of assets) and (h) any other non-cash charges, including (in case of clauses (g) and (h)), charges representing (i) accruals of or reserves for cash expenditures in a future period, (ii) amortization of prepaid items paid in cash in a prior period or (iii) marked-to-market and early liquidation charges under any Hedging Agreements, and *minus*, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (A) interest income (except to the extent deducted in determining Consolidated Interest Expense), (B) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets) and (C) any other non-cash income, including (in case of clauses (B) and (C)), marked-to-market and early liquidation gains under any Hedging Agreements, all as determined on a consolidated basis and *minus*, whether or not included in the statement of such Consolidated Net Income for such period, all cash expenditures in such period for (x) previously accrued or reserved for charges or (y) prepaid items to be amortized in future periods.

"***Consolidated Interest Expense***" means for any period, total interest expense, premium payments, debt discounts, fees, charges and related expense (including that attributable to Capital Lease Obligations) of Borrower and its consolidated Restricted Subsidiaries for such period with respect to all outstanding Indebtedness of Borrower and its consolidated Restricted Subsidiaries (including all commissions, discounts and other fees and charges owed by such Person with respect to letters of credit and bankers' acceptance financing and net costs of Borrower under Hedging Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

"***Consolidated Net Income***" means for any period, the consolidated net income (or loss) of Borrower and its Restricted Subsidiaries for such period, determined in accordance with GAAP; provided that in calculating Consolidated Net Income of Borrower and its Restricted Subsidiaries for any period, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary of Borrower or is merged into or consolidated with Borrower or any of its Restricted Subsidiaries, (b) the income (or deficit) of any Person (other than a Restricted Subsidiary of Borrower) in which Borrower or any of its Restricted Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Borrower or such Restricted Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Restricted Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Restricted Subsidiary, and (d) any one-time increase or decrease to such consolidated net income (or loss) which is required to be recorded because of the adoption of new accounting policies, practices or standards required by GAAP.

"***Consolidated Total Debt***" means at any date, the aggregate principal amount of all Indebtedness of Borrower and its Restricted Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP.

"***Consolidated Working Capital***" means, at any date, that positive or negative amount equal to (a) Consolidated Current Assets at such date *less* (b) Consolidated Current Liabilities at such date.

"***Constituent Documents***" means with respect to any Person, (a) the articles or certificate of incorporation, certificate of formation or partnership, articles of organization, limited liability company agreement or agreement of limited partnership (or the equivalent organizational documents) of such Person, (b) the by-laws (or the equivalent governing documents) of such Person and (c) any document setting forth the manner of election and duties of the directors or managing members of such Person (if any) and the designation, amount or relative rights, limitations and preferences of any class or series of such Person's Capital Stock.

"***Contingent Obligation***" means of a Person, any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including any comfort letter, operating agreement, take or pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"***Contractual Obligation***" means with respect to any Person, any term, condition or 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 Agreement***" means a deposit account control agreement or securities account control agreement to be executed and delivered among each Loan Party, CAA Collateral Agent and each bank or securities intermediary at which such Loan Party maintains, any such account (other than Excluded Accounts), in each case, in form and substance reasonably satisfactory to Collateral Agent and Administrative Agent, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***Daily Simple SOFR***" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by 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 Administrative Agent decides that any such convention is not administratively feasible for Administrative Agent, then Administrative Agent may establish another convention in its reasonable discretion.

"***Debtor Relief Laws***" means the Bankruptcy Code, or any other applicable law, domestic or foreign, as now or hereafter in effect, relating to bankruptcy, insolvency, liquidation, receivership, reorganization, assignment for the benefit of creditors, moratorium, arrangement or composition, extension or adjustment of debts, or similar laws affecting the rights of creditors.

"***Default***" means any of the events specified in Article VII, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"***Defaulting Lender***" means any Lender whose acts or failure to act, whether directly or indirectly, cause it to meet any part of the definition of "Lender Default."

"***Default Rate***" means as defined in Section 2.8(b).

"***Defensible Title***" means good and indefeasible title, free and clear of all Liens other than Permitted Liens.

"***Discount Range***" means as defined in Section 9.7(k).

"***Disposition***" means with respect to any Property, any sale, lease, sale and leaseback transaction, assignment, conveyance, transfer, novation or other disposition (including by way of a merger or consolidation) of such Property or any interest therein, excluding the creation of any Permitted Lien on such Property but including (i) the sale or factoring at maturity or collection of any accounts, (ii) permitting or suffering any other Person to acquire any interest (other than a Permitted Lien) in such Property, (iii) the Liquidation of any Hedging Agreement or (iv) the entering into any agreement to do any of the foregoing. The terms "*Dispose*" and "*Disposed of*" shall have correlative meanings.

"***Disqualified Lender***" means (a) any oil and gas production company operating within the Midland or Delaware Basins (a "*competitor*") and (b) any financial investors organized under the laws of a country under sanctions imposed by the United States.

"***Disqualified Stock***" means as to any Person, any Capital Stock of such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or otherwise (including upon the occurrence of an event) requires the payment of dividends (other than dividends payable solely in Capital Stock which does not otherwise constitute Disqualified Stock) or matures or is required to be redeemed (pursuant to any sinking fund obligation or otherwise) or is convertible into or exchangeable for Indebtedness or is redeemable at the option of the holder thereof, in whole or in part, at any time on or prior to the date six months after the Maturity Date.

"***Distressed Person***" has the meaning set forth in the definition of "Lender-Related Distress Event".

"***Dollar-Denominated Production Payments***" means production payment obligations recorded as liabilities in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"***Dollars*** and ***$***" means lawful currency of the United States of America.

"***ECF Amount***" means as defined in Section 2.7(d).

"***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 delegee) having responsibility for the resolution of any EEA Financial Institution.

"***Eligible Project***" means (a) if the Total Net Leverage is greater than 0.75 to 1.00 at the time the Capital Plan specifying such Project is delivered, a Project located in Howard, Borden, Scurry or Mitchell Counties, Texas, that is not then a Qualifying Project and for which Borrower reasonably believes in good faith at the time such Capital Plan is delivered (i) targets the Lower Spraberry or Wolfcamp A geologic formations, and (ii) will commence production within one year following the date such Capital Plan is delivered to Collateral Agent, and (b) if the Total Net Leverage is equal to or less than 0.75 to 1.00 at the time the Capital Plan specifying such Project is delivered, a Project located in any county within the Midland and/or Delaware Basins.

"***Environmental Laws***" means any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes, decrees or other legally enforceable requirements (including common law) of any Governmental Authority regulating, relating to or imposing liability or standards of conduct concerning pollution, protection of the environment, natural resources or of human health, or employee health and safety, as has been, is now, or may at any time hereafter be, in effect, including the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, the Hazardous Materials Transportation Act, 49 U.S.C. § 5101 *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 *et seq.*, the Clean Water Act, 33 U.S.C. § 1251 *et seq.*, the Clean Air Act, 42 U.S.C. § 7401 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, the Oil Pollution Act of 1990, 33 U.S.C. § 2701 *et seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 651 *et seq.*, and the regulations promulgated pursuant thereto, and all analogous state or local statutes and regulations.

"***Environmental Permits***" means any and all permits, licenses, approvals, registrations, notifications, exemptions and other authorizations required or obtained under any Environmental Law.

"***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.

"***Event of Default***" means any of the events specified in Article VII; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"***Excess Cash Flow***" shall mean, for any fiscal quarter of Borrower commencing with the fiscal quarter ending March 31, 2024, the excess (if any, which amount in any event shall not be less than zero) of:

(a) the sum, without duplication, of (i) Consolidated EBITDAX for such fiscal quarter and (ii) reductions to noncash Consolidated Working Capital for such fiscal quarter, *over*

(b) the sum, without duplication, of (i) the amount of any Taxes payable in cash by the Loan Parties with respect to such fiscal quarter, *plus* (ii) Consolidated Interest Expense for such fiscal quarter paid in cash, *plus* (iii) Capital Expenditures and other Investments permitted hereunder made in cash during such fiscal quarter, *plus* (iv) additions to noncash Consolidated Working Capital for such fiscal quarter, *plus* (v) permitted Restricted Payments made in cash by Borrower during such fiscal quarter in reliance on Sections 6.6(f) or 6.6(g), *plus* (vi) the amount related to items that were added to or not deducted from net income in calculating Consolidated Net Income or were added to or not deducted from Consolidated Net Income in calculating Consolidated EBITDAX to the extent such items represented a cash payment (which had not reduced Excess Cash Flow upon the accrual thereof in a prior fiscal year), or an accrual for a cash payment, by any Loan Party that did not represent cash received by any Loan Party, in each case on a consolidated basis during such fiscal quarter, and *plus* (vii) the aggregate principal amount of Loans optionally prepaid under Section 2.6 (other than any amount optionally prepaid with the proceeds of any Term Refinancing Debt) or mandatorily prepaid pursuant to Section 2.7(a) during such fiscal quarter.

For the avoidance of doubt, the proceeds of any sale of Capital Stock or Permitted Indebtedness by Borrower shall not be included in Excess Cash Flow.

"***Excess Proceeds***" means as defined in Section 2.7(c).

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Excluded Accounts***" means all segregated deposit accounts constituting (and the balance of which consists solely of funds set aside in connection with) payroll accounts and accounts dedicated to the payment of accrued employee benefits, medical and dental claims to employees of the Borrower or any Restricted Subsidiary.

"***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 by such Guarantor of, or the grant by such Guarantor of a security interest or lien to secure, or the provision by such Guarantor of other support of, such Swap Obligation is or becomes illegal under the Commodity Exchange Act by virtue of such party's failure for any reason to constitute an "eligible contract participant" (as defined in the Commodity Exchange Act) at the time such guaranty, grant of security interest or lien or provision of support of, such Swap Obligation becomes effective. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guaranty, grant of security interest or lien to secure or provision of other support is or becomes illegal.

"***Excluded Taxes***" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.12, 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 2.12 and (d) any withholding Taxes imposed under FATCA.

"***Existing Credit Agreement***" means that certain Credit Agreement, dated as of December 17, 2020, as amended, restated, amended and restated, supplemented or otherwise modified on or prior to the Closing Date, among Borrower, the guarantors party thereto, the banks, financial institutions and other lending institutions from time to time parties as lenders thereto and Wells Fargo Bank, National Association, as administrative agent, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith.

"***Existing Hedge Agreements***" means each of Hedging Agreements in effect with any Loan Party immediately prior to the Closing Date.

"***Existing Notes***" means, collectively, the 10.0% senior notes governed by that certain indenture dated February 16, 2022 and the 10.625% senior notes governed by those certain indentures dated November 8, 2022 and December 12, 2022.

"***Failed Auction***" means as defined in Section 9.7(k).

"***FATCA***" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code (or any amended or successor version described above) and any intergovernmental agreements (and related laws, regulations or official administrative guidance) implementing the foregoing.

"***Federal Funds Rate***" means, for any day, the rate per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers 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 the day for which such rate is to be determined 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, and (b) if such rate is not so published for any day, the Federal Funds Rate for such day shall be the average rate charged to Administrative Agent on such day on such transactions as determined by Administrative Agent; *provided, however*, if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"***Federal Reserve Board***" means the Board of Governors of the Federal Reserve System of the United States.

"***Fitch***" means Fitch Ratings Ltd. and its successors.

"***Fixed Charge Coverage Ratio***" means for any period, the ratio of the Consolidated EBITDAX for such period to the Fixed Charges for such period. In the event that Borrower or any of its Restricted Subsidiaries incurs, assumes, Guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "*Calculation Date*"), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Preferred Stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period. For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a Responsible Officer of Borrower and set forth in an officers' certificate signed by the Responsible Officer that states (a) the amount of each such adjustment and (b) that such adjustments are based on the reasonable good faith belief of the officers executing such officers' certificate at the time of such execution and the factual basis on which such good faith belief is based.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(a) acquisitions that have been made by Borrower or any of its Restricted Subsidiaries, including, without limitation, through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including, without limitation, all related financing transactions and increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (in accordance with Regulation S-X under the Securities Act of 1933) as if they had occurred on the first day of the four-quarter reference period;

(b) the Consolidated EBITDAX attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;

(c) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of Borrower or any of its Restricted Subsidiaries following the Calculation Date;

(d) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(e) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(f) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months).

"***Fixed Charges***" means, with respect to Borrower and its Restricted Subsidiaries for any period, the sum, without duplication, of:

(a) (i) Consolidated Interest Expense and (ii) accretion of interest charges on future plugging and abandonment obligations, future retirement benefits and other obligations that do not constitute Indebtedness, but including, without limitation, amortization of debt issuance costs and original issue discount, non-cash interest payments, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates; *plus*

(b) Consolidated Interest Expense that was capitalized during such period; *plus*

(c) any interest on Indebtedness of another Person that is Guaranteed by Borrower or one of its Restricted Subsidiaries or secured by a Lien on assets of Borrower or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; *plus*

(d) all dividends or distributions, whether paid or accrued and whether or not in cash, on any series on any series of Preferred Stock of its Restricted Subsidiaries, other than dividends or distributions on Equity Interests payable solely in Capital Stock of Borrower (other than Disqualified Stock) or to Borrower or a Restricted Subsidiary Borrower,

in each case, on a consolidated basis and determined in accordance with GAAP.

"***Floor***" means a rate of interest equal to 3.00%.

"***Foreign Lender***" means any Lender that is not a U.S. Person.

"***Fully Producing***" means, with respect to any well, that production has commenced with respect to such well.

"***Funding Office***" means the office specified from time to time by Administrative Agent as its funding office by notice to Borrower and the Lenders.

"***GAAP***" means generally accepted accounting principles in the United States of America as in effect from time to time, applied in a manner consistent with that used in preparation of the Pro Forma Balance Sheet.

"***Gas Imbalance***" means (a) a sale or utilization by Borrower or any of its Restricted Subsidiaries of volumes of natural gas in excess of its gross working interest, (b) receipt of volumes of natural gas into a gathering system and redelivery by Borrower or any of its Restricted Subsidiaries of a larger or smaller volume of natural gas under the terms of the applicable transportation agreement, or (c) delivery to a gathering system of a volume of natural gas produced by Borrower or any of its Restricted Subsidiaries that is larger or smaller than the volume of natural gas such gathering system redelivers for the account of Borrower or any of its Restricted Subsidiaries, as applicable.

"***Governmental Authority***" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any province, commonwealth, territory, possession, county, parish, town, township, village or municipality, whether now existing or hereafter constituted or existing.

"***Granting Lender***" means as defined in Section 9.7(h).

"***Guarantee and Security Agreement***" means the Guarantee and Security Agreement to be executed and delivered by Borrower and each Restricted Subsidiary of Borrower and CAA Collateral Agent, substantially in the form of Exhibit C, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"***Guarantee Obligation***" means as to any Person (the "*guaranteeing person*"), any obligation of (a) the guaranteeing person or (b) another Person (including any bank under any letter of credit), if to induce the creation of such obligation of such other Person, the guaranteeing person has issued a reimbursement, counterindemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "*primary obligations*") of any other third Person (the "*primary obligor*") in any manner, whether directly or indirectly, including any obligation of the guaranteeing person, whether or not contingent, (w) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (x) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (y) to purchase Property, securities or services, in each case, primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (z) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the lower of (I) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee Obligation is made and (II) the maximum amount for which such guaranteeing person may be liable pursuant to the terms of the instrument embodying such Guarantee Obligation, unless such primary obligation and the maximum amount for which such guaranteeing person may be liable are not stated or determinable, in which case the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by Borrower in good faith.

"***Guarantor***" means each Person who is a party as a "Guarantor" and "Grantor" to the Guarantee and Security Agreement.

"***Hedged Prices and Volumes***" means prices and volumes of Hydrocarbons in barrels of oil or MMBtu of gas supported by confirmations from any Qualified Counterparty to any Hedging Agreement.

"***Hedge Termination Amount***" means, in respect of any Additional Hedging Agreements, the cash amount actually received by any Loan Party after taking into account the effect of any netting agreement or rights of offset under such Additional Hedging Agreements, resulting from the Liquidation of such Additional Hedging Agreements.

"***Hedging Agreement***" means with respect to any Person, any agreement or arrangement, or any combination thereof, (a) consisting of interest rate swaps, caps or collar agreements, commodity contracts or similar arrangements entered into by such Person providing for protection against fluctuations in interest rates or the exchange of nominal interest obligations, either generally or under specific contingencies or (b) relating to oil and gas or other hydrocarbon prices, transportation or basis costs or differentials or other similar financial factors, that is customary in the oil and gas business and is entered into by such Person in the ordinary course of its business for the purpose of limiting or managing risks associated with fluctuations in such prices, costs, differentials or similar factors.

"***Highest Lawful Rate***" means with respect to each Lender, the maximum non-usurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Loans or on other Indebtedness under laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum non-usurious interest rate than applicable laws allow as of the date hereof.

"***Hydrocarbon Interests***" means all presently existing or after-acquired rights, titles and interests in and to oil and gas leases, oil, gas and mineral leases, other Hydrocarbon leases, mineral interests, mineral servitudes, overriding royalty interests, royalty interests, net profits interests, production payment interests and other similar interests. Unless otherwise qualified, all references to a Hydrocarbon Interest or Hydrocarbon Interests in this Agreement shall refer to a Hydrocarbon Interest or Hydrocarbon Interests of Borrower or its Restricted Subsidiaries.

"***Hydrocarbons***" means collectively, oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate and all other liquid or gaseous hydrocarbons and related minerals and all products therefrom, in each case whether in a natural or a processed state.

"***Illegality Notice***" means as defined in Section 2.15.

"***Indebtedness***" means of any Person at any date, without duplication (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (other than any deferred purchase price to the extent payable in Capital Stock (other than Disqualified Stock) of Borrower and other than accounts payable incurred in the ordinary course of business which are not overdue by more than 90 days), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities, (g) all Disqualified Stock of such Person, (h) all obligations of such Person relating to any Production Payment or in respect of production imbalances (but excluding production imbalances arising in the ordinary course of business), (i) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (h) above; (j) all obligations of the kind referred to in clauses (a) through (i) above secured by (or for which the holder of such obligation has an existing right, contingent or otherwise, to be secured by) any Lien on Property (including accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation; and (k) all obligations (netted, to the extent provided for therein) of such Person in respect of Hedging Agreements arising in connection with or as a result of early or premature termination of a Hedging Agreement, whether or not occurring as a result of a default thereunder. The Indebtedness of a Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness expressly provide that such Person is not liable therefor.

"***Indemnified Liabilities***" means as defined in Section 9.6(a).

"***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 Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"***Indemnitee***" means as defined in Section 9.6(a).

"***Independent Accountants***" means Weaver and Tidwell, L.L.P. or such other independent certified public accountants reasonably acceptable to Agents.

"***Initial Capital Plan***" means the Capital Plan with respect to the initial Projects set forth as Exhibit K.

"***Initial Interest Period***" means the period from and including the Closing Date through and including September 30, 2023.

"***Intellectual Property***" means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, state, multinational or foreign laws or otherwise, including, copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, service-marks, technology, know-how and processes, licenses or rights to use databases, geological data, geophysical data, engineering data, seismic data, maps, interpretations and other technical information, recipes, formulas, trade secrets and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

"***Interest Payment Date***" means each of (a) the last day of each Interest Period, (b) the Maturity Date and (c) the date of any repayment or prepayment made with respect to any Loan; provided that if any Interest Payment Date is not a Business Day, such Interest Payment Date shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Payment Date shall be the next preceding Business Day.

"***Interest Period***" means, as to any Loan, the Initial Interest Period and thereafter each successive three-month period commencing on the first day immediately following the Initial Interest Period and ending on the last day in the calendar month that is three months thereafter.

"***Interest Rate***" means a rate per annum equal to Adjusted Term SOFR plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

"***Investment***" means, as to any Person, any direct or indirect acquisition or investment (whether for cash, Property of such Person, services or securities or otherwise) by such Person in another Person, whether by means of (a) the purchase or other acquisition of Capital Stock, or other debt or equity securities, including any partnership or joint venture interest in such other Person, (b) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person, (c) any deposit with, or advance, loan or other extension of credit or capital contribution to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding 90 days representing the purchase price of inventory or supplies sold in the ordinary course of business), (c) Guarantee Obligations of, or other Contingent Obligation with respect to, Indebtedness or other liability of any other Person, and (d) except as excluded above, any other investment that would be classified as such on a balance sheet of such Person in accordance with GAAP; provided, for avoidance of doubt the acquisition of any direct interest in any oil and natural gas leasehold rights and associated reserves shall not constitute an Investment for purposes hereunder.

"***IRS***" means the United States Internal Revenue Service.

"***knowledge***" means with respect to any Person, the best knowledge (after due and diligent investigation) of such Person.

"***Lenders***" means as defined in the preamble hereto.

"***Lender Default***" means (a) the refusal (which may be given verbally or in writing and has not been retracted) or failure of any Lender to make available its portion of any incurrence of Loans or reimbursement obligations required to be made by it, which refusal or failure is not cured within one Business Day after the date of such refusal or failure; (b) the failure of any Lender to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder within one Business Day of the date when due, unless subject to a good faith dispute; (c) a Lender has notified the Borrower or the Administrative Agent that it does not intend to comply with its funding obligations, or has made a public statement to that effect with respect to its funding obligations, under agreements generally in which it commits to extend credit; (d) a Lender has failed, within three (3) Business Days after request by the Administrative Agent, to confirm that it will comply with its funding obligations hereunder or (e) a Lender has admitted in writing that it is insolvent or such Lender becomes subject to a Lender-Related Distress Event or a Bail-in Action. Any determination by the Administrative Agent that a Lender Default has occurred under any one or more of clauses (a) through (e) above shall be conclusive and binding absent manifest error, and the applicable Lender shall be deemed to be a Defaulting Lender (subject to Section 2.17(b) upon delivery of written notice of such determination to the Borrower and each Lender).

"***Lender-Related Distress Event***" means, with respect to any Lender or any person that directly or indirectly controls such Lender (each, a "***Distressed Person***"), as the case may be, a voluntary or involuntary case with respect to such Distressed Person under any debtor relief law, or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial part of such Distressed Person's assets, or such Distressed Person or any person that directly or indirectly controls such Distressed Person is subject to a forced liquidation, or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Distressed Person or its assets to be, insolvent or bankrupt; provided that a Lender-Related Distress Event shall not be deemed to have occurred solely by virtue of the ownership or acquisition of any equity interests in any Lender or any person that directly or indirectly controls such Lender by a Governmental Authority or an instrumentality thereof.

"***Lien***" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever intended to assure payment or performance of any Indebtedness or other obligation (including any conditional sale or other title retention agreement, the interest of a lessor under a Capital Lease, any financing lease having substantially the same economic effect as any of the foregoing and the filing of any financing statement under the UCC or comparable law of any jurisdiction naming the owner of the asset to which such Lien relates as debtor).

"***Liquidate***" means, with respect to any Hedging Agreement, (a) the sale, assignment, novation, unwind or early termination of all or any part of such Hedging Agreement or (b) the creation of an offsetting position against all or any part of such Hedging Agreement. The terms "*Liquidated*" and "*Liquidation*" have correlative meanings thereto.

"***Loans***" means as defined in Section 2.1(a).

"***Loan Documents***" means this Agreement, the Security Documents, the Notes and each certificate, agreement, instrument, waiver, consent or document executed by a Loan Party and delivered to Administrative Agent or any Lender in connection with or pursuant to any of the foregoing.

"***Loan Parties***" means Borrower and each Guarantor. For the avoidance of doubt, "Loan Parties" does not include any Unrestricted Subsidiaries.

"***LQA EBITDAX***" means the Consolidated EBITDAX for the most recently ended fiscal quarter of Borrower for which financial statements are required to be delivered hereunder multiplied by four.

"***Make-Whole Amount***" means an amount equal to the sum of (i) the aggregate undiscounted amount of interest that otherwise would have accrued on the Loans being prepaid from the Prepayment Date through the date that is 18 months after the Closing Date, not including any portion of such payments of interest accrued as of the Prepayment Date *plus* (ii) a cash amount equal to 1.00% of the principal amount of the Loans prepaid. For purposes of determining the amount of interest that otherwise would have accrued on the Loans being repaid, "Term SOFR" shall mean the Term SOFR Reference Rate for a tenor most nearly comparable to the period from the Prepayment Date to the date 18 months following the Closing Date on the day that is two U.S. Government Securities Business Days prior to the Prepayment Date, as such rate is published by the Term SOFR Administrator; provided, that if as of 5:00 p.m. (New York City time) on such Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day. Administrative Agent shall consult with Borrower with respect to any calculation of a Make-Whole Amount, provided that Administrative Agent's calculation of the Make-Whole Amount shall be conclusive in the absence of manifest error.

"***Management Affiliates***" means, collectively, Jack Hightower and his Affiliates (including any Related Fund).

"***Material Adverse Effect***" means a material adverse effect on any of (a) the business, assets, property or financial condition of the Loan Parties taken as a whole, (b) the legality, validity or enforceability of this Agreement or any of the other Loan Documents or the rights or remedies of Administrative Agent or the Lenders hereunder or thereunder, (c) the perfection or priority of the Liens granted pursuant to the Security Documents or (d) the ability of Borrower to repay the Obligations or of the Loan Parties to perform their obligations under the Loan Documents, other than, in each case, to the extent any of the foregoing results from market conditions generally applicable to the oil and gas industry (such as commodity prices) that do not disproportionately impact the Loan Parties compared to other companies that operate in the oil and gas industry.

"***Material Environmental Amount***" means an amount or amounts payable or reasonably likely to become payable by any Loan Party or any of its Restricted Subsidiaries, in the aggregate in excess of $1,000,000, for costs to comply with or any liability under any Environmental Law, failure to obtain or comply with any Environmental Permit, costs of any investigation, and any remediation, of any Material of Environmental Concern, and any other cost or liability, including compensatory damages (including damages to natural resources), punitive damages, fines, and penalties pursuant to any Environmental Law.

"***Materials of Environmental Concern***" means any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, natural gas or natural gas products, mercury, hydrogen sulfide, drilling fluids, produced water, asbestos, pollutants, contaminants, radioactivity, and any other substance defined as hazardous or toxic under any Environmental Law, that is regulated pursuant to or could give rise to liability under any applicable Environmental Law.

"***Maturity Date***" means as defined in Section 2.3.

"***MBbl/d***" means one thousand barrels of oil per day.

"***Moody's***" means Moody's Investors Service, Inc., or its successor.

"***Mortgaged Properties***" means the Oil and Gas Properties listed on Schedule 1.1(b), together with any additional Oil and Gas Properties which Borrower or any Restricted Subsidiary may hereafter acquire and which are required to become subject to a Mortgage pursuant to Section 5.12, in each case as to which CAA Collateral Agent for the benefit of the Secured Parties shall be granted a Lien pursuant to one or more Mortgages.

"***Mortgages***" means each of the mortgages and deeds of trust made by any Loan Party in favor of, or for the benefit of, CAA Collateral Agent for the benefit of the Secured Parties, substantially in the form of Exhibit D (with such changes thereto as shall be advisable under the law of the jurisdiction in which such mortgage or deed of trust is to be recorded) and in form and substance acceptable to Collateral Agent.

"***Net Cash Proceeds***" means (a) in connection with any Asset Sale, issuance or sale of debt securities or other instruments or the incurrence of Indebtedness for borrowed money, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale, issuance, sale or incurrence, net of (i) in the case of an Asset Sale, amounts required to repay Indebtedness secured by a Permitted Lien senior in priority to the Liens securing the Obligations and any Taxes paid or payable as a result of such Asset Sale and (ii) attorneys' fees, accountants' fees, investment bank fees, Taxes and other reasonable and customary fees and expenses actually incurred in connection therewith; and (b) in connection with any issuance or sale of debt securities or instruments or the incurrence of Indebtedness for borrowed money, the cash proceeds received from such issuance, sale or incurrence, net of attorneys' fees, accountants' fees, investment bank fees, underwriting discounts and commissions, Taxes and other reasonable and customary fees and expenses actually incurred in connection therewith; provided, that in the case of each of clauses (a) and (b), documentary evidence of such costs and payments is provided to Administrative Agent in form and substance reasonably satisfactory to it.

"***Non-Defaulting Lender***" means, at any time, a Lender that is not a Defaulting Lender.

"***Notes***" means as defined in Section 2.4(e).

"***NYMEX Strip Price***" means as of any date of determination, the forward month prices as of such date for the most comparable hydrocarbon commodity applicable to such future production month for a five-year period (or such shorter period if forward month prices are not quoted for a reasonably comparable hydrocarbon commodity for the full five year period), with such prices for each year thereafter based on the last quoted forward month price of such five-year period, as such prices are (i) quoted on the New York Mercantile Exchange (or its successor) as of the determination date and (ii) as adjusted for any basis differential as of the date of determination and without future escalation (such determination to be reasonably agreed by Collateral Agent).

"***Obligation Well***" means, as of any date of determination, a well location required to be drilled and/or Fully Producing by a date not later than six months after such date, to hold a lease or satisfy the continuous drilling or drainage provisions of an existing lease owned by Borrower.

"***Obligations***" means the unpaid principal of and interest (including, interest accruing after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to any Loan Party, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and premium (including any Make-Whole Amount or Premium) on the Loans and all other obligations and liabilities of any Loan Party to Administrative Agent or to any Lender or any Qualified Counterparty, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Qualified Hedging Agreement or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, fees, reimbursement obligations, indemnities, costs, expenses (including, all fees, charges and disbursements of counsel to Administrative Agent or to any Lender that are required to be paid by any Loan Party pursuant hereto) or otherwise; provided that the obligations of Borrower or any Restricted Subsidiary under any Qualified Hedging Agreement shall constitute "Obligations" hereunder to the extent that, and for so long as, the Obligations under this Agreement and the other Loan Documents are secured and guaranteed in accordance with this Agreement and pursuant to the Security Documents. The term "Obligations" excludes any Excluded Swap Obligations with respect to any applicable Guarantor.

"***OID Amount***" means an amount equal to 2.50% of the aggregate principal amount of the Loans.

"***Oil and Gas Properties***" means Hydrocarbon Interests; the properties now or hereafter pooled or unitized with Hydrocarbon Interests; all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority having jurisdiction) which may affect all or any portion of the Hydrocarbon Interests; all operating agreements, contracts and other agreements which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to such Hydrocarbon Interests; all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, the lands covered thereby and all oil in tanks and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; all tenements, hereditaments, appurtenances and properties in anywise appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, properties, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment or other personal property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, injection wells or other wells, buildings, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing. Unless otherwise qualified, all references to an Oil and Gas Property or to Oil and Gas Properties in this Agreement shall refer to an Oil and Gas Property or Oil and Gas Properties of Borrower or its Restricted Subsidiaries.

"***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 any and all present or future stamp or documentary taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, except any such taxes, charges or levies that are Other Connection Taxes imposed with respect to an assignment.

"***Participant***" means as defined in Section 9.7(b).

"***Participant Register***" means as defined in Section 9.7(b).

"***Patriot Act***" means as defined in Section 9.20.

"***Payment***" means as defined in Section 8.11(a).

"***Payment Notice***" means as defined in Section 8.11(b).

"***Payment Office***" means the office specified from time to time by Administrative Agent as its payment office by notice to Borrower and the Lenders; provided all payments becoming due and payable under the Loan Documents or on any Note must be made by wire transfer to a bank and account specified by Administrative Agent. Administrative Agent may at any time, by notice to Borrower, change the place of payment of any such payments so long as such place of payment is in the United States.

"***Payment Recipient***" means as defined in Section 8.11.

"***Periodic Term SOFR Determination Day***" means as defined in the definition of "Term SOFR".

"***Permits***" means the collective reference to (i) Environmental Permits, and (ii) any and all other franchises, licenses, leases, permits, approvals, consents, notifications, certifications, registrations, authorizations, exemptions, variances, qualifications, easements and rights of way of any Governmental Authority or third party.

"***Permitted Acquisition Indebtedness***" means Indebtedness of any other Person existing at the time such Person became a Restricted Subsidiary (including by designating an Unrestricted Subsidiary as a Restricted Subsidiary) of Borrower or such Person was purchased by or merged or consolidated with or into Borrower or any of its Restricted Subsidiaries (an "*acquisition*"), or incurred for purposes of financing any such acquisition; provided, that:

(a) such acquisition (or designation) is permitted under this terms of this Agreement;

(b) if the Total Net Leverage Ratio, pro forma for such transaction and the application of proceeds from such Indebtedness, is greater than 0.75 to 1.00, such Indebtedness does not exceed $100,000,000 in aggregate principal amount at any time outstanding;

(c) such Indebtedness is unsecured, does not require any scheduled payments of principal prior to the Maturity Date and has a final maturity date or redemption date, as applicable, at least 180 days after the Maturity Date;

(d) pro forma for the transaction and the application of proceeds from such Indebtedness:

(i) the Asset Coverage Ratio is greater than the Asset Coverage Ratio immediately prior to such acquisition;

(ii) the Total Net Leverage Ratio is (x) less than 0.75 to 1.00 or (y) is less than the Total Net Leverage Ratio immediately prior to such acquisition; and

(iii) the Fixed Charge Coverage Ratio for the mostly recently ended four fiscal quarter period of the Borrower for which financial statements are delivered or, if earlier, required to have been delivered hereunder would have been at least 2.25 to 1.00, as if such Indebtedness had been incurred at the beginning of such four-quarter period.

"***Permitted Asset Swap***" means any substantially contemporaneous (and in any event occurring within 30 days of each other) purchase and sale or exchange of any oil and gas lease(s) with only de minimis or immaterial associated Proved Reserves and that are used or useful in the oil and gas business between any Loan Party and another Person effected on a cashless basis (or with only a de minimis amount of cash); provided that (a) the fair market value of the lease(s) traded or exchanged by such Loan Party (together with any cash) is reasonably equivalent to the fair market value of the properties or assets to be received by the Loan Parties and (b) any net cash received in such exchange is applied as required under Section 2.7(c).

"***Permitted Capex***" means as defined in Section 6.7.

"***Permitted Indebtedness***" means as defined in Section 6.2.

"***Permitted Intercompany Debt***" means unsecured Indebtedness between or among one or more Loan Parties; provided that (a) such Indebtedness is expressly subordinated to the prior payment in cash and in full to the Obligations pursuant a written agreement in form and substance reasonably acceptable to Collateral Agent, (b) such Indebtedness does not mature earlier than the date 91 days following the Maturity Date and (c) (i) any subsequent issuance or transfer of Capital Stock in a Loan Party that results in any such Indebtedness being held by a Person other than Loan Party and (ii) any sale or other transfer of any such Indebtedness to a Person that is not a Loan Party will be deemed, in each case, to no longer constitute an incurrence of Permitted Intercompany Debt.

"***Permitted Investors***" means (a)(i) Jack Hightower, (ii) any immediate family member of Jack Hightower and (iii) the estate or legal representative of the estate of Jack Hightower and/or any immediate family members of Jack Hightower (acting in the capacity of such legal representative), (b)(i) John Paul DeJoria, (ii) the John Paul DeJoria Family Trust, (ii) any immediate family member of John Paul DeJoria and (iii) the estate or legal representative of the estate of John Paul DeJoria and/or any immediate family members of John Paul DeJoria (acting in the capacity of such legal representative) and (c) any Affiliate funds, investments vehicles, holding companies, trusts, partnerships, limited liability companies, corporations or other entities beneficially majority owned and controlled by one or more Persons in clauses (a) or (b) of this definition.

"***Permitted Liens***" means the collective reference to (a) in the case of Collateral other than Pledged Capital Stock, Liens permitted by Section 6.3 and (b) in the case of Collateral consisting of Pledged Capital Stock, (i) Liens created under the Security Documents and (ii) non-consensual Liens permitted by Section 6.3 to the extent arising by operation of law.

"***Person***" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"***Petroleum Engineers***" means Cawley, Gillespie & Associates, Inc. or such other independent petroleum engineers of recognized national standing as may be selected by Borrower with the prior consent of Collateral Agent, which consent shall not be unreasonably withheld.

"***Pledged Capital Stock***" means as defined in the Guarantee and Security Agreement.

"***Preferred Stock***" means any and all preferred or preference stock or other similar Capital Stock (however designated) of Borrower or any Restricted Subsidiary whether outstanding or issued after the date of this Agreement, such consent not to be unreasonably withheld.

"***Premium***" means as defined in Section 2.6(b).

"***Prepayment Date***" means with respect to any prepayment pursuant to Sections 2.6 or 2.7, the date of such prepayment.

"***Primary Drilling Area***" means as defined in Section 6.7(d).

"***Prime Rate***" means the rate of interest per annum last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by Administrative Agent) or any similar release by the Federal Reserve Board (as determined by Administrative Agent). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

"***Producing Well Capex***" means all Capital Expenditures to drill, complete and equip wells for production, including all location construction costs and all wellbore related expenditures beginning with drilling through installation of artificial lift.

"***Production Payment***" means collectively, any Dollar-Denominated Production Payment, Volumetric Production Payment or other right to oil, gas, or other minerals in place or as produced that entitles the owner of the right to a specified fraction of production until the owner receives a specified amount of money, or a specified number of units of oil, gas, or other minerals.

"***Pro Forma Balance Sheet***" means as defined in Section 3.1(a).

"***Project***" means a single well (if not part of a well pad) or group of wells sharing the same well pad, in each case with respect to which drilling and/or completion will occur after the Closing Date.

"***Projected IRR***" means, with respect to any well, the projected annual internal rate of return, stated as a percentage, on the aggregate Producing Well Capex made prior to the date of determination and anticipated to be made on and following the date of determination, in each case, by Borrower or a Restricted Subsidiary of Borrower in respect of such well. Projected IRR shall be calculated by Borrower, in good faith and based on reasonable assumptions, (a) assuming (i) the Producing Well Capex in respect of such well is made on the last day of the month in which such Producing Well Capex was made and/or the month Borrower reasonably anticipates it will make such Producing Well Capex and (ii) all relevant net cash flows in respect of such well are received by the Loan Parties on the last day of the month in which Borrower reasonably anticipates it shall receive such cash flows; (b) using the XIRR function in the most recent version of Microsoft Excel or upgrades to such program (or if such program is no longer available, such other software program for calculating Projected IRR reasonably determined by Collateral Agent); (c) using the Applicable Strip Price; and (d) for the avoidance of doubt, based on both historical Producing Well Capex in respect of such well and anticipated future Producing Well Capex in respect of such well in order to bring such well to Fully Producing status.

"***Projected Oil Production***" means the projected production of oil (measured by volume unit, not sales price) for the term of the contracts from Oil and Gas Properties and interests owned by Borrower and its Restricted Subsidiaries which have attributable to them Proved Developed Producing Reserves, as such production is projected in the Reserve Report dated October 1, 2023 delivered pursuant to this Agreement, after deducting projected production from any Oil and Gas Properties or Hydrocarbon Interests sold or under contract for sale that had been included in such report and after adding projected production from any Oil and Gas Properties or Hydrocarbon Interests that had not been reflected in such report but that are reflected in a separate or supplemental report meeting the requirements of Section 5.6(b) and otherwise are satisfactory to Collateral Agent.

"***Projections***" means as defined in Section 5.3(b).

"***Property***" means any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible. Unless otherwise qualified, all references to Property in this Agreement shall refer to a Property or Properties of Borrower or its Restricted Subsidiaries.

"***Proved Developed Producing Reserves***" means those Oil and Gas Properties designated as proved developed producing (in accordance with the Definitions for Oil and Gas Reserves approved by the board of directors of the Society of Petroleum Engineers, Inc. from time to time) in the Reserve Report most recently delivered to Collateral Agent pursuant to this Agreement.

"***Proved Reserves***" means those Oil and Gas Properties designated as proved (in accordance with the Definitions for Oil and Gas Reserves approved by the board of directors of the Society of Petroleum Engineers, Inc. from time to time) in the Reserve Report most recently delivered to Collateral Agent pursuant to this Agreement.

"***Purchase Price Refund***" means any amount received by any Loan Party after the Closing Date as a result of a purchase price adjustment or similar event in connection with any acquisition of Property by such Loan Party.

"***PV 10 Value***" means with respect to any Proved Reserves, or any subset of Oil and Gas Properties thereof, the aggregate net present value of such Oil and Gas Properties calculated before income taxes, but after reduction for royalties, lease operating expenses, severance and ad valorem taxes, Capital Expenditures and abandonment costs; with no escalation of Capital Expenditures or abandonment costs; discounted at 10%; using assumptions regarding future prices of Hydrocarbon sales based on Hedged Prices and Volumes and the NYMEX Strip Price on all unhedged volumes, adjusted for historical price differentials and Btu and quality adjustments. The PV 10 Value shall be calculated and included as part of each Reserve Report, and such PV 10 Value shall remain in effect until the delivery of the next Reserve Report to be delivered.

"***Qualified Counterparty***" means with respect to any Hedging Agreement, (a) the agent or any lender under the Senior Credit Facility or any of their respective Affiliates, (b) any counterparty thereto that at the time such Hedging Agreement was entered into was the agent or a lender party to the Senior Credit Facility or any of their respective Affiliates, (c) each of Macquarie Bank Limited and Mercuria Energy Trading SA and (d) any other Person whose short-term issuer credit rating at the time of entering into the Hedging Agreement is A-1 or higher by S&P Global Ratings or whose senior unsecured long-term debt obligations at the time of entering into the Hedging Agreement are rated A+ or higher by S&P Global Ratings or, in each case, an equivalent rating by another internationally recognized statistical rating organization of similar standing (or whose obligations under such Qualified Hedging Agreement are guaranteed by another Person satisfying the foregoing ratings criteria) and, in the case of (c) and (d) above, is a party to an enforceable intercreditor agreement with CAA Collateral Agent in a form acceptable to Collateral Agent.

"***Qualified Hedging Agreement***" means any Hedging Agreement entered into by Borrower or any Guarantor and any Qualified Counterparty, which Hedging Agreement shall consist of swaps, costless collars or put options or a combination of all three but excluding any "put spreads" or "three-way collars" as such term is commonly understood by swap dealers. For sake of clarity, any Hedging Agreement between Borrower or any Restricted Subsidiary and a Senior Hedging Party (as defined in the Collateral Agency Agreement) shall constitute a Qualified Hedging Agreement.

"***Qualified Reinvestment***" means the purchase, lease or other acquisition of Oil and Gas Properties permitted under this Agreement and useful in the business of Borrower; provided that, (a) such purchase, lease or other acquisition is permitted under the terms of this Agreement and (b) with respect to any reinvestment permitted under Section 2.7(c), a "Qualified Reinvestment" with the Net Cash Proceeds resulting from any Disposition of Proved Developed Producing Reserves Qualified Reinvestments shall only include the purchase or other acquisition of Oil and Gas Properties with associated Proved Developed Producing Reserves.

"***Qualifying Bid***" means as defined in Section 9.7(k).

"***Qualifying Project***" means (a) Projects set forth in the Initial Capital Plan and (b) each other Eligible Project set forth in a Capital Plan delivered to Collateral Agent that (i) has a Projected IRR of not less than 30% (based on the Applicable Strip Price), or (ii) is determined to be, and listed as, an Obligation Well.

"***Real Property***" means the surface, subsurface and mineral rights and interests owned, leased or otherwise held by any Loan Party or its Restricted Subsidiaries.

"***Recipient***" means (a) Administrative Agent or (b) any Lender, as applicable.

"***Refinancing***" means, collectively, (a) the termination of the Existing Credit Agreement and all commitments thereunder, the repayment in full of all amounts payable thereunder and the making of arrangements satisfactory to Administrative Agent for the termination of Liens and security interests granted in connection therewith, (b) the redemption in full of the Existing Notes, and (c) the novation, assumption or other assignment, by or to one of more Qualifying Counterparties of each of the Existing Hedge Agreements.

"***Register***" means as defined in Section 9.7(e).

"***Regulation U***" means Regulation U of the Board as in effect from time to time.

"***Related Fund***" means with respect to any Lender, any fund (a) that invests in loans and is either managed or advised by the same investment advisor as such Lender, by such Lender or an Affiliate of such Lender or (b) is beneficially owned and controlled by the same Person as such Lender.

"***Related Parties***" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, sub agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

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

"***Reply Amount***" means as defined in Section 9.7(k).

"***Reply Price***" means as defined in Section 9.7(k).

"***Required Lenders***" means, at any time, Lenders having a collective Aggregate Exposure Percentage of more than 50.0%; provided that the Aggregate Exposure held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of the Required Lenders.

"***Requirement of Law***" means as to any Person, the Constituent Documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its Property or to which such Person or any of its Property is subject.

"***Reserve Report***" means a report prepared by the Petroleum Engineers, in the case of a report delivered pursuant to Section 5.2(c) and Borrower's internal petroleum engineers, in the case of any report delivered pursuant to Sections 5.2(d) or 4.1(g), regarding the Proved Reserves or Proved Developed Producing Reserves, as the case may be, attributable to the Oil and Gas Properties of the Loan Parties, reasonably satisfactory to Collateral Agent in both format and content, and otherwise in compliance with Sections 4.1(g), 5.2(c) and 5.2(d), as applicable. Each Reserve Report shall set forth volumes, projections of the future rate of production, Hydrocarbon prices (which shall be based upon the NYMEX Strip Price), net proceeds of production, operating expenses and capital expenditures, PV 10 Value, in each case based upon updated economic assumptions reasonably acceptable to Collateral Agent and the Required Lenders.

"***Resignation Effective Date***" means as defined in Section 8.9.

"***Responsible Officer***" means as to any Loan Party, the chief executive officer, president or chief financial officer of such Loan Party, but in any event, with respect to financial matters, the chief financial officer of such Loan Party. Unless otherwise qualified, all references to a "Responsible Officer" shall refer to a Responsible Officer of Borrower.

"***Restricted Payments***" means as defined in Section 6.6.

"***Restricted Subsidiary***" means each Subsidiary of Borrower other than any Unrestricted Subsidiary.

"***Return Bid***" means as defined in Section 9.7(k).

"***S&P***" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., or its successor.

"***Scheduled Unavailability Date***" has the meaning set forth in Section 2.16(f)(ii).

"***SEC***" means the Securities and Exchange Commission (or successor thereto or an analogous Governmental Authority).

"***Secured Parties***" means collectively, Administrative Agent, CAA Collateral Agent, any Lender and any Qualified Counterparty (to the extent, and for so long as, the obligations in respect of Qualified Hedging Agreements constitute "Obligations" hereunder).

"***Securities Act***" *means* the Securities Act of 1933, as amended.

"***Security Documents***" means the collective reference to the Guarantee and Security Agreement, the Mortgages, each Control Agreement, the Collateral Agency Agreement and all other security documents hereafter delivered to Collateral Agent granting a Lien on any Property of any Person to secure any of the Obligations.

"***Senior Credit Facility***" means a revolving credit facility and each other revolving credit facility that refunds, refinances or replaces such revolving credit facility; provided, that, in each case, (a) the aggregate principal amount of Indebtedness of borrowings and letters of credit thereunder does not exceed $100,000,000 at any time outstanding, (b) at all times one or more Commercial Lending Institutions hold not less than a majority of the commitments thereunder and (c) the agent thereunder, on behalf of itself and each lender or other secured party thereunder, has executed and delivered the Collateral Agency Agreement or a Collateral Agency Joinder and such other documents required pursuant to the terms hereof.

"***SOFR***" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

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

"***SOFR Loan***" means a Loan that bears interest at a rate based on Term SOFR.

"***Solvency Certificate***" means a solvency certificate and analysis by the chief financial officer of Borrower substantially in the form of Exhibit E.

"***Solvent***" means with respect to any Person, as of any date of determination, (a) the amount of the "present fair saleable value" of the consolidated assets of such Person will, as of such date, exceed the amount of all consolidated "liabilities of such Person, contingent or otherwise", as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the present fair saleable value of the consolidated assets of such Person will, as of such date, be greater than the amount that will be required to pay the consolidated liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, (d) such Person will be able to pay its consolidated debts as they mature and (e) such Person is not insolvent within the meaning of any applicable Requirement of Law. For purposes of this definition, (i) "*debt*" means liability on a "claim", and (ii) "*claim*" means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

"***SPV***" means as defined in Section 9.7(h).

"***Stated Maturity***" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which such payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof following the occurrence of an event of default and acceleration of such Indebtedness or change of control.

"***Subsidiary***" means as to any Person, a corporation, partnership, limited liability company or other entity of which shares of Capital Stock having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers (or persons performing similar functions) of such corporation, partnership, limited liability company or other entity are at the time owned, or the management of which is otherwise controlled, in each case, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Borrower.

"***Subsidiary Guarantor***" means each Subsidiary of Borrower that is a Guarantor.

"***Swap***" means any "swap" within the meaning of section 1a(47) of the Commodity Exchange Act.

"***Swap Obligation***" means any obligation to pay or perform under any Swap, whether as a party to such Swap or by providing any guarantee of or provision of support for such Swap (and whether or not such obligation is an Obligation hereunder).

"***Tax Affiliate***" means with respect to any Person, (a) any Subsidiary of such Person, and (b) any Affiliate of such Person with which such Person files or is eligible to file consolidated, combined or unitary tax returns.

"***Tax Return***" means as defined in Section 3.12.

"***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 SOFR***" means, for any calculation, the Term SOFR Reference Rate for a tenor comparable to the Interest Period on the day (such day, the "***Periodic Term SOFR Determination Day***") that is two U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day.

"***Term SOFR Adjustment***" means a percentage equal to 0.15% per annum.

"***Term SOFR Administrator***" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Administrative Agent, subject to approval by Required Lenders).

"***Term SOFR Reference Rate***" means the forward-looking term rate based on SOFR.

"***Term Refinancing Debt***" means any unsecured Indebtedness of Borrower (including the Guarantees of any Restricted Subsidiaries) issued in exchange for, or the Net Cash Proceeds of which are used to refinance, the Loans and other Obligations hereunder; provided, that such Term Refinancing Debt:

(a) does not exceed the aggregate principal amount of, plus Make-Whole Amount or Premium, if any, and accrued interest on, the Loans so refinanced (plus the amount of all fees and expenses incurred in connection therewith);

(b) has a Stated Maturity no earlier than the date at least 180 days after the Maturity Date;

(c) does not require the payment of principal prior to the Stated Maturity thereof (other than following the occurrence of an event of default and acceleration thereof or change of control or asset sale);

(d) is not guaranteed by any Subsidiary of Borrower other than the Guarantors; and

(e) the Fixed Charge Coverage Ratio for the most recently ended four fiscal quarter period of Borrower for which financial statements are delivered or, if earlier, required to have been delivered hereunder precedes, the date on which such Indebtedness is incurred, on a *pro forma* basis for such refinancing as if such Indebtedness had been incurred at the beginning of such four-quarter period, is at least 2.25 to 1.00.

"***Title Opinion***" means a title opinion, in form and substance acceptable to Collateral Agent in its sole discretion, regarding the before payout and after payout ownership interests held by any Loan Party, for all wells located (or to be drilled) on, and otherwise as to the ownership of, such Oil and Gas Property and reflecting that CAA Collateral Agent has a legal and valid perfected Lien (subject only to the Permitted Liens) on such Oil and Gas Property (each such opinion with respect to any well to be delivered to Collateral Agent prior to the disbursement of royalties with respect to such well).

"***Total Net Leverage Ratio***" means, as of any date of determination, the ratio, for the mostly recently ended four fiscal quarter period of the Borrower for which financial statements are delivered or, if earlier, required to have been delivered hereunder, of (a) Consolidated Total Debt as of such date *less* Consolidated Working Capital to (b) Consolidated EBITDAX; provided that for purposes of calculating Consolidated EBITDAX of Borrower for any period, (i) the Consolidated EBITDAX of any Person or business acquired by Borrower or its Restricted Subsidiaries during such period shall be included on a *pro forma* basis for such period (assuming the consummation of such acquisition and the incurrence or assumption of any Indebtedness in connection therewith occurred on the first day of such period) if the consolidated balance sheet of such acquired Person as at the end of the period preceding the acquisition of such Person and the related consolidated statements of income and stockholders' equity and of cash flows for the period in respect of which Consolidated EBITDAX is to be calculated (x) have been previously provided to Administrative Agent and the Lenders and (y) either (1) have been reported on without a qualification arising out of the scope of the audit by independent certified public accountants of nationally recognized standing or (2) have been found acceptable by Administrative Agent, (ii) Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (as determined in accordance with GAAP) during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with any date of determination shall be included on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations and discontinued operations (and the change in Consolidated EBITDAX resulting therefrom) had occurred on the first day of the four-quarter reference period and (iii) the Consolidated EBITDAX of any Person or business Disposed of by Borrower or its Restricted Subsidiaries during such period shall be excluded for such period (assuming the consummation of such Disposition and the repayment of any Indebtedness in connection therewith occurred on the first day of such period).

"***Transferee***" means as defined in Section 9.15.

"***UCC***" means the Uniform Commercial Code, as in effect from time to time in the State of New York or other applicable jurisdiction.

"***Unadjusted Benchmark Replacement***" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"***Unrestricted Subsidiary***" means any newly-formed direct or indirect Subsidiary of Borrower designated as an "Unrestricted Subsidiary" pursuant to Section 5.17 prior to engaging in any operations, but only to the extent that such Subsidiary:

(a) is formed solely for the purposes of funding and/or effecting the direct or indirect acquisition of Oil and Gas Properties;

(b) has no Indebtedness at the time of such designation;

(c) is not party to any agreement, contract, arrangement or understanding with Borrower or any Restricted Subsidiary (other than with respect to such Unrestricted Subsidiaries ordinary course operations);

(d) is a Person with respect to which neither Borrower nor any of its Restricted Subsidiaries has any direct or indirect obligation (i) to subscribe for additional Capital Stock or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(e) has not Guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of Borrower or any of its Restricted Subsidiaries.

All Subsidiaries of an Unrestricted Subsidiary shall also be Unrestricted Subsidiaries.

"***U.S. Government Securities Business Day***" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"***U.S. Person***" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"***U.S. Tax Compliance Certificate***" means as defined in Section 2.11(f).

"***Volumetric Production Payment***" means production payment obligations recorded as deferred revenue in accordance with GAAP, together with all undertakings and obligations in connection therewith.

"***Voting Stock***" means the Capital Stock of Borrower entitling the holders thereof (whether at all times or only so long as no senior class of Capital Stock has voting power by reason of any contingency) to vote in the election of members of the Board of Directors of Borrower.

"***Wells in Progress Report***" means a quarterly report pursuant to Section 5.2(j) that shows the Wells in Progress Value to be utilized in the calculation of the Asset Coverage Ratio. For the purposes of the Asset Coverage Ratio, a given Project may only appear on the Wells in Progress Report for a maximum of three quarters, which shall be consecutive.

"***Wells in Progress Value***" means on any date, an amount equal to the Dollar amount of Producing Well Capex actually funded with respect to each Project that is either in progress or otherwise not yet recognized as producing.

"***Withholding Agent***" means any Loan Party or Administrative Agent.

"***Wholly Owned Subsidiary***" means as to any Person, any other Person all of the Capital Stock of which (other than directors' qualifying shares required by law) is owned by such Person directly and/or through other Wholly Owned Subsidiaries.

"***Wholly Owned Subsidiary Guarantor***" means any Subsidiary Guarantor that is a Wholly Owned Subsidiary of Borrower.

"***Write-Down and Conversion Powers***" means, 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 writedown and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to Borrower and its Subsidiaries not defined in Section 1.1 and accounting terms partly defined in Section 1.1, to the extent not defined, shall have the respective meanings given to them under GAAP; provided that for purposes of Section 6.1, any non-cash items arising under FAS 133, 142, 143 or 144 shall be excluded from the relevant calculation.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

(e) All calculations of financial ratios set forth in Section 6.1 shall be calculated to the same number of decimal places as the relevant ratios are expressed in and shall be rounded upward if the number in the decimal place immediately following the last calculated decimal place is five or greater. For example, if the relevant ratio is to be calculated to the hundredth decimal place and the calculation of the ratio is 5.126, the ratio will be rounded up to 5.13.

(f) References in this Agreement to any statute shall be to such statute as amended or modified and in effect at the time any such reference is operative.

(g) The term "including" when used in any Loan Document means "including without limitation" except when used in the computation of time periods.

(h) The term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or".

(i) The terms "Lender", "Administrative Agent", and "Collateral Agent" include their respective successors.

(j) The words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities (as such term is defined in the Securities Act), revenues, accounts, leasehold interests and contract rights.

(k) Each reference to "Loan Party" in Article III shall include Borrower and any Restricted Subsidiary of Borrower that is or, pursuant to Section 5.12 or Section 6.17, is required to be a Guarantor.

(l) Notwithstanding anything herein to the contrary, for the purposes of calculating any of the ratios tested under Section 6.1 and the components of each of such ratios, all Unrestricted Subsidiaries and their Subsidiaries (including their assets, liabilities, income, losses, cash flows, and the elements thereof) shall be excluded, except for any cash dividends or distributions actually paid by any Unrestricted Subsidiary or any of its Subsidiaries to Borrower or any Restricted Subsidiary, which shall be deemed to be income to Borrower or such Restricted Subsidiary when actually received by it.

1.3 Computation of Time Periods. In this Agreement, in the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including."

1.4 Rates. The Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including the selection of such rate and any related spread or other adjustment or whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its Affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Loan Parties. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, or any component definition thereof or rates referred to in the definition thereof, in each case, pursuant to the terms of this Agreement, and shall have no liability to any Loan Party, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II
AMOUNT AND TERMS OF COMMITMENTS

2.1 Loan Commitments.

(a) Subject to the terms and conditions hereof, each of the Lenders severally agrees to make the term loan to Borrower requested by Borrower pursuant to Section 2.2 (the "***Loans***") in an aggregate principal amount for all such Loans equal to $1,200,000,000. The Loans shall be made on the Closing Date (in an amount for each Lender not in excess of its Commitment) and funded net of the OID Amount.

(b) Once borrowed or repaid, the Loans may not be reborrowed, and any Commitment, once terminated or reduced, may not be reinstated. Each Lender's Commitment shall automatically and without notice be reduced to zero immediately after the funding of the Loans on the Closing Date.

2.2 Procedures for Borrowing. Borrower shall deliver to Administrative Agent a Borrowing Notice (which Borrowing Notice must be received by Administrative Agent prior to 10:00 A.M., New York City time, three U.S. Government Securities Business Days prior to the Closing Date) requesting that the Lenders make the Loans on the Borrowing Date and specifying the amount to be borrowed. Upon receipt of such Borrowing Notice Administrative Agent shall promptly notify each Lender thereof. Not later than 12:00 Noon, New York City time, on the Borrowing Date for the Loans specified hereunder, each Lender shall make available to Administrative Agent at the Funding Office an amount in Dollars and in immediately available funds equal to the Loan to be made by such Lender. Administrative Agent shall make available to Borrower the aggregate of the amounts made available to Administrative Agent by the Lenders, in like funds as received by Administrative Agent.

2.3 Maturity Date. The Loans of each Lender shall mature on September 30, 2026 (the "***Maturity Date***").

2.4 Repayment of Loans; Evidence of Debt.

(a) Borrower hereby unconditionally promises to pay to Administrative Agent for the account of the appropriate Lender the remaining principal amount of each Loan of such Lender on the Maturity Date or on such earlier date on which the Loans become due and payable pursuant to Section 2.6 or 2.7 or Article VII. Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.8.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing Indebtedness of Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) Administrative Agent, on behalf of Borrower, shall maintain the Register pursuant to Section 9.7(e), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder and (iii) both the amount of any sum received by Administrative Agent hereunder from Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to this Section 2.4 shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of Borrower therein recorded; provided, that the failure of any Lender or Administrative Agent to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of Borrower to repay (with applicable interest) the Loans made to Borrower by such Lender in accordance with the terms of this Agreement. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of Administrative Agent in respect of such matters, the Register and corresponding accounts and records of Administrative Agent shall control in the absence of manifest error.

(e) Borrower agrees that, upon the request to Administrative Agent by any Lender, Borrower will promptly execute and deliver to such Lender a promissory note of Borrower evidencing any Loans of such Lender, substantially in the form of Exhibit F (a "***Note***"), with appropriate insertions as to date and principal amount; provided that delivery of Notes shall not be a condition precedent to the occurrence of the Closing Date or the making of the Loans on any Borrowing Date.

2.5 Fees. Borrower agrees to pay to the Agents, in their respective capacities as such, the fees in the amounts and on the dates from time to time agreed to in writing among Borrower, Administrative Agent, and Collateral Agent.

2.6 Optional Prepayments.

(a) Borrower, at its option, may prepay the outstanding principal amount of the Loans, in whole or in part, at any time; provided, (i) any optional prepayment made prior to the date 18 months after the Closing Date shall be accompanied by the concurrent payment in cash of the Make-Whole Amount and (ii) any optional prepayment made on or after the date 18 months after the Closing Date but prior to the date 24 months after the Closing Date shall be accompanied by the concurrent payment in cash of a premium (the "***Premium***") equal to 1.00% of principal amount of the Loans being prepaid. For the avoidance of doubt, no optional prepayment made on or at any time after the date 24 months after the Closing Date, shall require the payment of any Premium.

(b) For any prepayment under this Section 2.6, Borrower shall deliver at least three Business Days' prior written notice to Administrative Agent by 12:00 p.m., New York City time, stating the Prepayment Date and aggregate principal amount of the prepayment.

(c) Each partial prepayment shall be in an aggregate amount not less than $10,000,000 or integral multiples of $10,000,000 in excess thereof. Upon the giving of any such notice of prepayment, the principal amount of the Loans specified to be prepaid, together with the accrued interest thereon through the Prepayment Date shall become due and payable on the Prepayment Date and, if applicable, the Make-Whole Amount or Premium, shall become due and payable on the Prepayment Date; provided that any such notice may be subject to one or more conditions precedent, including any Disposition, and the amount specified to be prepaid shall not become due and payable on the Prepayment Date upon the failure of any one of such conditions.

(d) Any optional prepayment under this Section 2.6 shall be applied to the Loans as set forth in Section 2.9.

2.7 Mandatory Prepayments.

(a) Beginning with the Interest Period ending March 31, 2024, on each Interest Payment Date Borrower shall repay (at par and without premium or penalty) Loans in quarterly installments equal to $30,000,000 in aggregate principal amount. For clarity, no mandatory prepayment pursuant to this Section 2.7 or otherwise shall offset or reduce the amount payable under this Section 2.7(a).

(b) If Borrower or any Restricted Subsidiary shall incur any Indebtedness (other than Permitted Indebtedness), then on the date of such incurrence the gross proceeds thereof shall be applied to repay on a pro rata basis the Loans and other Obligations under this Agreement and the loans and other obligations under the Senior Credit Facility. Any amounts payable in respect to the Loans and Obligations hereunder shall first be applied to interest, fees and Make-Whole Amount or Premium, if any. The provisions of this Section 2.7(a) do not constitute a consent to any the incurrence of any Indebtedness.

(c) If Borrower or any Restricted Subsidiary shall receive Net Cash Proceeds from any Asset Sale which, together with the Net Cash Proceeds received for all other Asset Sales (or with respect to a Liquidation of any Additional Hedging Agreement, the Hedge Termination Amount with respect thereto) within any one calendar year exceeds $20,000,000 in the aggregate (such amount, "***Excess Proceeds***"), then within three Business Days following receipt thereof, Borrower shall apply such Excess Proceeds as follows:

(i) firstly, to repay loans under the Senior Credit Facility to the extent required by the terms thereof, in an amount equal to the amount of the Net Cash Proceeds received therefrom; and

(ii) to prepay the principal amount of the Loans together with interest, fees and Make-Whole Amount or Premium, if any, in an amount equal to the remaining amount of the Net Cash Proceeds received therefrom, unless prior to such third Business Day Borrower elects, by written notice delivered to the Agents, to make one or more Qualified Reinvestments with any portion or all of such remaining Net Cash Proceeds (which Qualified Reinvestment must be consummated with 180 Business Days after such receipt of Net Cash Proceeds).

(d) Commencing with the fiscal quarter ending March 31, 2024, Borrower shall prepay outstanding Loans (at par and without premium or penalty) in an aggregate principal amount (if positive) equal to the Applicable Percentage of Excess Cash Flow for the fiscal quarter then ended (the "***ECF Amount***"); provided that the ECF Amount for any fiscal quarter will be reduced to the extent, and solely to the extent, necessary such that, pro forma for the payment of such reduced ECF Amount, the aggregate cash and Cash Equivalents of Borrower and its Restricted Subsidiaries is not less than $100,000,000 as of the date of such payment.

For purposes hereof, the "***Applicable Percentage***" means with respect to any fiscal quarter: (i) 50% if the Total Net Leverage Ratio at such time is greater than 1.00 to 1.00; (ii) 25% if the Total Net Leverage Ratio at such time is greater than 0.50 to 1.00 and equal to or less than 1.00 to 1.00 and (iii) 0% if the Total Net Leverage Ratio at such time is equal to or less than 0.50 to 1.00.

Each such mandatory prepayment under this Section 2.7(d) shall be made with respect to each fiscal quarter of Borrower on the earlier of (i) the date on which the financial statements for such fiscal quarter are delivered and (ii) the date on which the financial statements for such fiscal quarter are required to delivered pursuant to Section 5.1(b).

(e) Each prepayment of the Loans pursuant to this Section 2.7 shall be applied in accordance with Section 2.9 and shall be accompanied by a cash payment of the accrued interest to the Prepayment Date on the principal amount prepaid together with all other amounts then owing under this Agreement or any Loan Document including any fees, expenses and, in the case of prepayments pursuant to Section 2.7(c), the Make-Whole Amount or Premium, if any, then due and payable under any Loan Document.

2.8 Interest Rates, Payment Dates and Computation of Interest and Fees.

(a) Subject to the provisions of Section 2.8(b), each Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate *per annum* equal to the Interest Rate.

(b) (i) If all or a portion of the principal amount of any Loan or interest thereon shall not be paid when due (whether at the stated maturity, by acceleration or otherwise) (a "*payment default*") or there shall occur and be continuing any other Event of Default, all outstanding Loans (whether or not overdue) (to the extent legally permitted) shall bear interest at a rate per annum that is equal to the Interest Rate *plus* 2.00%, the ("***Default Rate***"), but in no event to exceed the Highest Lawful Rate, from the date of occurrence such payment default or other Event of Default until such amount of principal and/or interest is paid in full (after as well as before judgment) or until such Event of Default is no longer continuing, respectively, and (ii) if all or a portion of any fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the Default Rate from the date of such nonpayment of until such amount is paid in full (after as well as before judgment). The foregoing notwithstanding, other than with respect to any payment default or Event of Default under Section 7.1, clause (f) (for which the Default Rate which will apply without request of the Required Lenders), the Default Rate shall not apply unless requested by the Required Lenders. Any request by Collateral Agent or the Required Lenders for Default Interest shall accrue from the date of occurrence of the applicable Event of Default. Notwithstanding the foregoing, no interest at the Default Rate shall accrue or be payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(c) Subject to Section 2.9(h), interest shall be payable in cash in arrears on each Interest Payment Date, provided that interest accruing pursuant to Section 2.8(b) shall be payable from time to time on demand.

(d) If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day, unless such next succeeding Business Day would fall in the next calendar month, in which case such payment shall be the next preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding sentence, interest thereon shall be payable at the rate applicable during such extension period.

(e) Interest, fees and commissions payable pursuant hereto shall be calculated on the basis of a year of 360 days and, in each case, shall be payable for the actual number of days elapsed (including the first day but excluding the last day). In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the date on which funds are repaid shall be excluded unless repayment is credited after the close of business on the Business Day received. Each determination by Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(f) In connection with the use or administration of Term SOFR, Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

2.9 Application of Payments; Place of Payments.

(a) The borrowing by Borrower from the Lenders hereunder and any reduction of the Commitments of the Lenders shall be made *pro rata* according to the Aggregate Exposure Percentages of the relevant Lenders. Each payment (including any prepayment) in respect of principal or interest in respect of any Loans and each payment in respect of fees other than fees payable in accordance with Section 2.5 or expenses payable hereunder shall be applied to the amounts of such obligations owing to the Lenders *pro rata* according to the respective amounts then due and owing to the Lenders. Amounts prepaid on account of the Loans may not be reborrowed. If at any time insufficient funds are received by and available to Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) *first*, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second*, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(b) So long as no Event of Default shall have occurred and be continuing, except as otherwise set forth herein (including in Section 2.7 hereof), all payments and any other amounts received by Administrative Agent from or for the benefit of Borrower shall be applied: (i) *first*, to pay all Obligations then due and payable and (ii) *second*, in inverse order of maturity.

(c) After the occurrence and during the continuance of any Event of Default, Borrower hereby irrevocably waives the right to direct the application of any and all payments in respect of the Obligations and any proceeds of Collateral, and agrees that Administrative Agent may, and shall upon either (A) the written direction of the Required Lenders or (B) the acceleration of the Obligations pursuant to Section 7.1, apply all payments in respect of any Obligations and all proceeds of Collateral in the following order, subject to the Collateral Agency Agreement:

(i) *first*, to the payment or reimbursement of the Agents for all costs, expenses, disbursements and losses incurred by either of the Agents and which any Loan Party is required to pay or reimburse pursuant to the Loan Documents;

(ii) *second*, to the payment or reimbursement of the Secured Parties for all costs, expenses, fees, disbursements and losses incurred by such Persons and which any Loan Party is required to pay or reimburse pursuant to the Loan Documents;

(iii) *third*, to the payment of interest and premium (including any Make-Whole Amount or Premium) on the Loans which is then due;

(iv) *fourth*, to the payment of principal of the Loans and obligations under Qualified Hedging Agreements (to the extent constituting Obligations) which are then due;

(v) *fifth*, to the payment to the Secured Parties of all other Obligations; and

(vi) *sixth*, to whomsoever shall be legally entitled thereto.

(d) If any Lender owes payments to Administrative Agent hereunder, any amounts otherwise distributable under this Section 2.9 to such Lender shall be deemed to belong to Administrative Agent to the extent of such unpaid payments, and Administrative Agent shall apply such amounts to make such unpaid payments rather than distribute such amounts to such Lender. All distributions of amounts described in paragraphs *second* and *fifth* above shall be made by Administrative Agent to each Lender and each Qualified Counterparty, if any, on a *pro rata* basis determined by the amount such Obligations owed to such Lender or Qualified Counterparty, as the case may be, represents of the aggregate amount of all such Obligations.

(e) All payments (including prepayments) to be made by Borrower hereunder, whether on account of principal, interest, premium, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 11:00 a.m., New York City time, on the due date thereof to Administrative Agent, for the account of the relevant Lenders, at the Payment Office, in Dollars and in immediately available funds. Any payment made by Borrower after 11:00 a.m., New York City time, on any Business Day shall be deemed to have been made on the next following Business Day. Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received.

(f) Unless Administrative Agent shall have been notified in writing by any Lender prior to the borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to Administrative Agent, Administrative Agent may assume that such Lender is making such amount available to Administrative Agent, and Administrative Agent may, in reliance upon such assumption, make available to Borrower a corresponding amount. If such amount is not made available to Administrative Agent by the required time on any Borrowing Date, such Lender and Borrower severally agree to pay to Administrative Agent, on demand, such amount with interest thereon at a rate equal to, in the case of a payment to be made by such Lender, the greater of (i) the daily average Federal Funds Rate and (ii) the rate determined by Administrative Agent in accordance with the banking industry rules on interbank compensation, and in the case of a payment to be made by Borrower, the interest rate applicable to the applicable Borrowing for the period until such amount is immediately available to Administrative Agent. A certificate of Administrative Agent submitted to any Lender and Borrower with respect to any amounts owing under this Section 2.9(f) shall be conclusive in the absence of manifest error. If Borrower and such Lender shall pay such interest to Administrative Agent for the same or an overlapping period, Administrative Agent shall promptly remit to Borrower the amount of such interest paid by Borrower for such period. If such Lender pays its share of the applicable Borrowing to Administrative Agent, then the amount so paid shall constitute such Lender’s Loan. Any payment by Borrower shall be without prejudice to any claim Borrower may have against a Lender that shall have failed to make such payment to Administrative Agent.

(g) Unless Administrative Agent shall have been notified in writing by Borrower prior to the date of any payment due to be made by Borrower hereunder that Borrower will not make such payment to Administrative Agent, Administrative Agent may assume that Borrower is making such payment, and Administrative Agent may, but shall not be required to, in reliance upon such assumption, make available to the Lenders their respective *pro rata* shares of a corresponding amount. If such payment is not made to Administrative Agent by Borrower within three Business Days after such due date, Administrative Agent shall be entitled to recover, on demand, from each Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Rate. Nothing herein shall be deemed to limit the rights of Administrative Agent or any Lender against Borrower.

(h) Each payment of the Loans shall be accompanied by accrued interest through the date of such payment on the amount paid.

2.10 Requirements of Law. If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority made subsequent to the date hereof shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement or change the basis of taxation of payments to such Lender in respect thereof (except for changes in the rate of tax on the overall net income of such Lender) or shall impose on such Lender any other condition and the result of any of the foregoing is to reduce any amount receivable hereunder in respect thereof, then, in any such case, Borrower shall promptly pay such Lender, upon its demand, any additional amounts necessary to compensate such Lender on an after-tax basis for such reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section 2.10, it shall promptly notify Borrower (with a copy to Administrative Agent) of the event by reason of which it has become so entitled. A certificate as to any additional amounts payable pursuant to this Section 2.10 submitted by any Lender to Borrower (with a copy to Administrative Agent) shall be conclusive in the absence of manifest error. The obligations of Borrower pursuant to this Section 2.10 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder. Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith and (ii) 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 United States or foreign regulatory agencies, in each case, pursuant to Basel III, shall in each case be deemed to be a change in a Requirement of Law, regardless of the date enacted, adopted or issued.

2.11 Taxes.

(a) All payments made by or on behalf of any Loan Party under this Agreement or any other Loan Documents shall be made free and clear of and without deduction or withholding for Taxes, except as required by applicable law; provided, that if any Withholding Agent shall be required to deduct or withhold any Taxes from such payments, then (i) the applicable Withholding Agent shall make such deductions or withholdings, (ii) the applicable Withholding Agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and (iii) if such Tax is an Indemnified Tax or Other Tax, the sum payable to the applicable Recipient shall be increased as necessary by the applicable Loan Party so that after making all required deductions and withholdings (including deductions and withholdings of Taxes applicable to additional sums payable under this Section 2.11(a)), the applicable Recipient receives an amount equal to the sum it would have received had no such deductions or withholdings been made.

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

(c) Without duplication of the amounts paid pursuant to Sections 2.11(a) or (b), Borrower shall indemnify each Recipient, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.11) payable or paid by such Recipient, or required to be withheld or deducted from a payment to such Recipient, and any reasonable out-of-pocket expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other 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 by Administrative Agent, on its own behalf or on behalf of a Recipient, to Borrower shall be conclusive absent manifest error.

(d) Each Lender shall severally indemnify Administrative Agent, within 10 days after written demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.7(b) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by 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 Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this Section 2.11(d).

(e) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.11, the Loan Party shall deliver to Administrative Agent a certified copy of an original official receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment of other evidence of such payment reasonably satisfactory to Administrative Agent.

(f)

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Administrative Agent, at the time or times reasonably requested by Borrower or Administrative Agent, such properly completed and executed documentation reasonably requested by Borrower or 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 Borrower or Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Administrative Agent as will enable Borrower and 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 2.11(f)(ii)(A), Section 2.11(f)(ii)(B) and Section 2.11(f)(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.

(ii) Without limiting the generality of the foregoing,

(A) any Lender that is a U.S. Person shall deliver to Borrower and 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 Borrower and Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding Tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and 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 Borrower and Administrative Agent), whichever of the following is applicable:

(1) 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 IRS Form W-8BEN (or IRS Form 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, IRS Form W-8BEN (or IRS Form 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;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit J-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the Code (a "***U.S. Tax Compliance Certificate***") and (y) executed copies of IRS Form W-8BEN (or IRS Form W-8BEN-E, as applicable); or

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

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date of which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower and 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 Borrower and Administrative Agent to determine the withholding or deduction required to be made.

(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 Sections 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower and Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Administrative Agent as may be necessary for Borrower and 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 Section 2.11(f), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii) On or before the date on which Texas Capital Bank (and any successor or replacement Administrative Agent) becomes Administrative Agent hereunder, it shall deliver to Borrower two executed originals of either (i) IRS Form W-9, or (ii) IRS Form W-8 ECI with respect to any payments to be received on its own behalf and IRS Form W-8IMY (certifying that it is either a "qualified intermediary" within the meaning of Section 1.1441-1(e)(5) of the United States Treasury Regulations that has assumed primary withholding obligations under the Internal Revenue Code, including Chapters 3 and 4 of the Internal Revenue Code, or a "U.S. branch" within the meaning of Section 1.1441-1(b)(2)(iv) of the United States Treasury Regulations that is treated as a U.S. Person for purposes of withholding obligations under the Code) for the amounts Administrative Agent receives for the account of others.

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

(g) If Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to this Section 2.11, it shall pay over such refund to Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by Borrower under this Section 2.11 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that Borrower, upon the request of Administrative Agent or such Lender, agrees to repay the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to Administrative Agent or such Lender in the event Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 2.11(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.11(g) the payment of which would place the indemnified party in a less favorable net after-tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 2.11 shall not be construed to require Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

(h) Each party's obligations under this Section 2.11 shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

2.12 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.10 or 2.11(a) with respect to such Lender, it will, if requested by Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates with the object of avoiding the consequences of such event; provided that (a) such designation or assignment is made on terms that, in the sole judgment of such Lender, cause such Lender and its lending office(s) to suffer no economic, legal or regulatory disadvantage, and (b) nothing in this Section 2.12 shall affect or postpone any of the obligations of Borrower or the rights of any Lender pursuant to Section 2.10 or 2.11(a). Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

2.13 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D)), 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;

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section and delivered to Borrower, shall be conclusive absent manifest error. Borrower shall pay such Lender 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 to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender'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).

2.14 Inability to Determine Rates.

Subject to Section 2.16, if, on or prior to the first day of any Interest Period for any SOFR Loan:

(a) Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that "Term SOFR" cannot be determined pursuant to the definition thereof, or

(b) the Required Lenders reasonably determine that Term SOFR does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to Administrative Agent, upon notice thereof by Administrative Agent to Borrower,

then all Loans shall thereafter bear interest at the Prime Rate *plus* the Applicable Margin in the amount specified therein.

2.15 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 applicable lending office to make, maintain or fund Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate or Term SOFR, or to determine or charge interest based upon SOFR, the Term SOFR Reference Rate or Term SOFR, then, upon notice thereof by such Lender to Borrower (through Administrative Agent) (an "***Illegality Notice***"), (a) any obligation of the Lenders to make SOFR Loans, and any right of Borrower to continue SOFR Loans shall be suspended until each affected Lender notifies Administrative Agent and Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to Administrative Agent), prepay or, if applicable, convert all SOFR Loans to Loans that bear interest at the Prime Rate *plus* the Applicable Margin, on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day, in each case until Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR, the Term SOFR Reference Rate or Term SOFR. Upon any such prepayment or conversion, Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.12.

2.16 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, (A) if a Benchmark Replacement is determined in accordance with clause (a) or (b) 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 (B) if a Benchmark Replacement is determined in accordance with clause (c) 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. (New York City time) on the fifth 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 Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.16(a) will occur prior to the applicable Benchmark Transition Start Date.

(b) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. Administrative Agent will promptly notify Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. Administrative Agent will notify Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.16(d) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.16, 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, except, in each case, as expressly required pursuant to this Section 2.16.

(d) 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 the Term SOFR Reference Rate or BSBY) 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 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 not or will not be representative, then Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) 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 not or will not be representative for a Benchmark (including a Benchmark Replacement), then Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, Borrower may revoke any pending request for a SOFR Loan of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, Borrower will be deemed to have converted any such request into a request for a Loan of or conversion to Loans that bear interest at the Prime Rate *plus* the Applicable Margin.

(f) BSBY Replacement. Notwithstanding anything to the contrary in this Agreement or any other Loan Documents, at any time that BSBY is the then current Benchmark, if Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or Required Lenders notify Administrative Agent (with, in the case of the Required Lenders, a copy to the Borrower) that the Borrower or Required Lenders (as applicable) have determined, that:

(i) adequate and reasonable means do not exist for ascertaining a three month interest period of BSBY, including, without limitation, because the BSBY Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(ii) Bloomberg or any successor administrator of the BSBY Screen Rate or a Governmental Authority having jurisdiction over Administrative Agent or Bloomberg or such administrator has made a public statement identifying a specific date after which one month, three month and six month interest periods of BSBY or the BSBY Screen Rate shall or will no longer be representative or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to Administrative Agent, that will continue to provide such representative interest periods of BSBY after such specific date (the latest date on which one month, three month and six month interest periods of BSBY or the BSBY Screen Rate are no longer representative or available permanently or indefinitely, the "***Scheduled Unavailability Date***");

then, on a date and time determined by Administrative Agent (any such date, the "***BSBY Replacement Date***"), which date shall be at the end of an Interest Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (f)(ii) above, no later than the Scheduled Unavailability Date, BSBY will be replaced hereunder and under any Loan Document with a Benchmark Replacement determined in accordance with the definition thereof.

2.17 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 Amendments. That 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 Section 9.1.

(ii) Reallocation of Payments. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of that Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Article VII or otherwise), 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 that Defaulting Lender to the Administrative Agent hereunder; second, as the Borrower may request (so long as no Default or Event of Default has occurred and is continuing), to the funding of any Loan in respect of which that Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; third, if so determined by the Administrative Agent and the Borrower, to be held in a non-interest bearing deposit account and released in order to satisfy obligations of that Defaulting Lender to fund Loans under this Agreement; fourth, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against that Defaulting Lender as a result of that Defaulting Lender's breach of its obligations under this Agreement; fifth, so long as no Default or Event of Default has occurred and is continuing, 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 sixth, to that Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if such payment is a payment of the principal amount of any Loans in respect of which that Defaulting Lender has not fully funded its appropriate share such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of that Defaulting Lender. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender pursuant to this Section 2.17(a)(ii) shall be deemed paid to and redirected by that Defaulting Lender, and each Lender irrevocably consents hereto.

(b) Defaulting Lender Cure. If the Borrower and the Administrative Agent agree in writing in their sole discretion that a Defaulting Lender should no longer be deemed to be 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, that 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; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

To induce the Agents and the Lenders to enter into this Agreement and to make the Loans, Borrower hereby represents and warrants to each Agent and each Lender that on the date hereof and on the Closing Date:

3.1 Financial Condition.

(a) The unaudited *pro forma* consolidated balance sheet of Borrower as at June 30, 2023 (including the notes thereto) (the "***Pro Forma Balance Sheet***"), copies of which have heretofore been furnished to Administrative Agent, has been prepared giving effect (as if such events had occurred on such date) to (i) the Loans to be made on the Closing Date and the use of proceeds thereof and each offering by Borrower of Capital Stock subsequent to June 30, 2023, and the use of proceeds thereof and (ii) the payment of fees and expenses in connection with the foregoing. The Pro Forma Balance Sheet has been prepared based on the best information available to Borrower as of the date of delivery thereof, and presents fairly on a *pro forma* basis the estimated financial position of Borrower and its consolidated Restricted Subsidiaries as at June 30, 2023, assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of Borrower as at December 31, 2022, December 31, 2021 and December 31, 2020, and the related consolidated statements of income and of cash flows for the fiscal years ended on such dates, reported on by and accompanied by an unqualified report from the Independent Accountants, present fairly the consolidated financial condition of Borrower as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. The unaudited consolidated balance sheet of Borrower as at June 30, 2023, and the related unaudited consolidated statements of income and cash flows for the six-month period ended on such date, present fairly the consolidated financial condition of Borrower as at such date, and the consolidated results of its operations and its consolidated cash flows for the six-month period then ended (subject to normal year end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). Except as provided on Schedule 3.1(b), no Loan Party has any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long term leases or unusual forward or long term commitments, including, any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from June 30, 2023 to and including the date hereof there has been no Disposition by any Loan Party of any material part of its business or Property.

3.2 No Change. Since December 31, 2022, there has been no development or event that has had or could reasonably be expected to have a Material Adverse Effect.

3.3 Corporate Existence; Compliance with Law.

(a) Each of the Loan Parties (i) is duly incorporated, organized or formed, as applicable, validly existing and (if relevant) in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as the case may be, (ii) has the corporate, company or partnership power and authority, as applicable, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, (iii) is duly qualified as a foreign corporation, company or partnership, as applicable, and (if relevant) in good standing under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except to the extent that the failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect, (iv) is in compliance with its Constituent Documents and (v) is in compliance with all Requirements of Law (other than its Constituent Documents) except to the extent that the failure to comply therewith could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party has all Permits necessary for the ownership and, if any Loan Party is the operator, operation of its Oil and Gas Properties and the conduct of its businesses except for those Permits the failure of which to have could not reasonably be expected to have a Material Adverse Effect, and is in compliance in all material respects with the terms and conditions of all such Permits. To the Loan Parties' knowledge, each Person other than any Loan Party operating any Oil and Gas Property has all necessary Permits and is in compliance in all material respects with the terms and conditions of all such Permits.

(c) The Oil and Gas Properties operated by any Loan Party and, to Borrower's knowledge, the Oil and Gas Properties operated by any Person other than any Loan Party, have been maintained, operated and developed in a good and workmanlike manner and in conformity in all material respects with all Requirements of Law and in conformity in all material respects with the provisions of all leases, subleases or other contracts comprising a part of the Hydrocarbon Interests and other contracts and agreements forming a part of the Oil and Gas Properties; specifically in this connection: (i) no Oil and Gas Property is subject to having allowable production reduced after the Closing Date below the full and regular allowable (including the maximum permissible tolerance) because of any overproduction (whether or not the same was permissible at the time) prior to the Closing Date; and (ii) none of the wells comprising a part of the Oil and Gas Properties (or properties unitized therewith) is deviated from the vertical or horizontal (as applicable) more than the maximum permitted by Requirements of Law, and such wells are, in fact, bottomed under and are producing from, and the wellbores are wholly within, the Oil and Gas Properties (or in the case of wells located on properties unitized therewith, such unitized properties).

3.4 Entity Power; Authorization; Enforceable Obligations. Each Loan Party has the power and authority (corporate or otherwise), and the legal right, to make, deliver and perform the Loan Documents to which it is a party and, in the case of Borrower, to borrow hereunder. Each Loan Party has taken all necessary corporate action to authorize the execution, delivery and performance of the Loan Documents to which it is a party and, in the case of Borrower, to authorize the borrowings on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the borrowings hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents except (i) consents, authorizations, filings and notices described in Schedule 3.4, which consents, authorizations, filings and notices have been obtained or made and are in full force and effect and (ii) the filings referred to in Section 3.21. Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. This Agreement constitutes, and each other Loan Document upon execution will constitute, a legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

3.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law (except to the extent such violations could not reasonably be expected to result in a Material Adverse Effect) or any material Contractual Obligation of any Loan Party and will not result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by the Security Documents). No Requirement of Law or Contractual Obligation applicable to any Loan Party could reasonably be expected to have a Material Adverse Effect. No performance of a Contractual Obligation by any Loan Party, either unconditionally or upon the happening of an event, would result in the creation of a Lien (other than a Permitted Lien) on the Property of any Loan Party.

3.6 Existing Indebtedness. Set forth on Schedule 3.6 is a complete and accurate list of all Indebtedness of each Loan Party outstanding immediately prior to the effectiveness of this Agreement and the making of the Loans hereunder and no Loan Party shall have any Indebtedness except the Indebtedness incurred under this Agreement and any Qualified Hedging Agreement.

3.7 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to Borrower's knowledge, threatened by or against any Loan Party or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or (b) that could reasonably be expected to have a Material Adverse Effect.

3.8 No Default. No Loan Party is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing.

3.9 Ownership of Property.

(a) Each Loan Party has title in fee simple to, or a valid leasehold interest in, all its Real Property (other than the Oil and Gas Properties), and Defensible Title to, or a valid leasehold interest in, all other Property material to its business (other than the Oil and Gas Properties), and none of such Property is subject to any Lien other than Permitted Liens.

(b) Each Loan Party has Defensible Title to all of its Oil and Gas Properties which constitute Proved Reserves, and good and defensible title to all of the Oil and Gas Properties which constitute, for applicable state law purposes, "personal" or "movable" property, in each case except for Permitted Liens. The Mortgaged Properties constitute all of the real property (including all oil and gas leases) in which any Loan Party owns an interest.

(c) The quantum and nature of any interest in and to the Oil and Gas Properties of any Loan Party as set forth in the most recent Reserve Report includes the entire interest of such Loan Party in such Oil and Gas Properties as of the date of such applicable Reserve Report delivered by Borrower to Collateral Agent pursuant to Sections 4.1(g), 5.2(c) or 5.2(d), as applicable, and are complete and accurate in all material respects as of the date of such applicable Reserve Report; and there are no "back-in" or "reversionary" interests held by third parties which could materially reduce the interest of such Loan Party in such Oil and Gas Properties except as reflected in the most recent Reserve Report. The ownership of the Oil and Gas Properties by a Loan Party entitles such Loan Party to the share of the Hydrocarbons produced therefrom or attributable thereto set forth as such Loan Party's "net revenue interest" therein as set forth in the most recent Reserve Report and does not in any material respect obligate such Loan Party to bear the costs and expenses relating to the maintenance, development or operations of any such Oil and Gas Property in an amount in excess of the "working interest" of such Loan Party in each Oil and Gas Property set forth in the most recent Reserve Report.

(d) Each Loan Party's marketing, gathering, transportation, processing and treating facilities and equipment, if any, together with any marketing, gathering, transportation, processing and treating contracts in effect between or among such Loan Party and its Restricted Subsidiaries, on the one hand, and any other Person, on the other hand, are sufficient to gather, transport, process or treat, reasonably anticipated volumes of production of Hydrocarbons from the Oil and Gas Properties, and all related charges are accurately reflected and accounted for in each Reserve Report delivered to Collateral Agent pursuant to this Agreement.

(e) The Hydrocarbon Interests and operating agreements attributable to the Oil and Gas Properties are in full force and effect in all material respects in accordance with their terms. All rents, royalties and other payments due and payable under such Hydrocarbon Interests and operating agreements have been properly and timely paid.

3.10 Insurance. All policies of insurance of any kind or nature of any Loan Party, including policies of fire, theft, property damage, other casualty, employee fidelity, workers' compensation and employee health and welfare insurance, are in full force and effect and are of a nature and provide such coverage as is customarily carried by businesses of the size and character of such Loan Party. No Loan Party has been refused insurance for any material coverage for which it had applied or had any policy of insurance terminated (other than at its request).

3.11 Intellectual Property. Each Loan Party owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No material claim has been asserted and is pending by any Person challenging or questioning the use by any Loan Party of any Intellectual Property or the validity or effectiveness of any Intellectual Property, nor, to Borrower's knowledge, is there any valid basis for any such claim. The use of Intellectual Property by any Loan Party does not infringe on the rights of any Person in any material respect.

3.12 Taxes. Each Loan Party has filed or caused to be filed all federal, state and other material tax returns, reports and statements (collectively, "***Tax Returns***") that are required to be filed by such Loan Party or any of its Tax Affiliates with the appropriate Governmental Authorities in all jurisdictions in which such Tax Returns are required to be filed; all such Tax Returns are true and correct in all material respects and correctly reflect the facts regarding the income, business, assets, operations, activities, status or other matters of such Loan Party and any other information required to be shown thereon; each Loan Party has paid, prior to the date on which any fine, penalty, interest, late charge or loss may be added thereto for non-payment thereof, all taxes shown to be due and payable on said returns or on any assessments made against it or any of its Property and all other taxes, fees or other charges imposed on it or any of its Property by or otherwise due and payable to any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Loan Party); and no tax Lien has been filed against the Property of any Loan Party, and, to Borrower's knowledge, no claim is being asserted, with respect to any such tax, fee or other charge. No Tax Return is under audit or examination by any Governmental Authority and no notice of such an audit or examination or any assertion of any claim for taxes has been given or made by any Governmental Authority. Proper and accurate amounts have been withheld by each Loan Party and each of its Tax Affiliates from their respective employees for all periods in full and complete compliance with the tax, social security and unemployment withholding provisions of applicable Requirements of Law and such withholdings have been timely paid to the respective Governmental Authorities. No Loan Party (i) intends to treat the Loans or any other transaction contemplated hereby as being a "reportable transaction" (within the meaning of Treasury Regulation 1.6011-4) or (ii) is aware of any facts or events that would result in such treatment. No Loan Party is a party to any tax sharing or allocation agreement.

3.13 Federal Regulations. No part of the proceeds of any Loans will be used for buying or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the Regulations of the Board. If requested by any Lender or Administrative Agent, Borrower will furnish to Administrative Agent and each Lender a statement to the foregoing effect in conformity with the requirements of FR Form G-3 or FR Form U-1, as applicable, referred to in Regulation U.

3.14 Labor Matters. There are no strikes, stoppages or slowdowns or other labor disputes against any Loan Party pending or, to Borrower's knowledge, threatened that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of any Loan Party have not been in violation of the Fair Labor Standards Act of 1938, as amended, or any other applicable Requirement of Law dealing with such matters that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect. All payments due from any Loan Party on account of employee health and welfare insurance that (individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect if not paid have been paid or accrued as a liability on the books of such Loan Party.

3.15 ERISA Plans. No Loan Party or Subsidiary thereof maintains or has maintained, nor is or has been any employee of any Loan Party or Subsidiary thereof a beneficiary under, any employee benefit plan that is covered by the Employee Retirement Income Security Act of 1974, as amended from time to time and the rules and regulations promulgated thereunder ("***ERISA***"), and in respect of which any Loan Party or Subsidiary thereof is an "employer" as defined in Section 3(5) of ERISA (an "***ERISA Plan***"); nor is or has been any Loan Party or Subsidiary thereof a "commonly controlled entity" with any other Person within the meaning of Section 4001 of ERISA or part of a group that is treated as a single employer under Section 414 of the Code.

3.16 Regulations.

(a) No Loan Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Board) which limits its ability to incur Indebtedness.

(b) None of the Loan Parties and their Subsidiaries, and to the knowledge of the Loan Parties, none of the current operators of the Oil and Gas Properties (i) is a Person whose property or interest in property is blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) engages in any dealings or transactions prohibited by Section 2 of such executive order, or is otherwise associated with any such person in any manner violative of Section 2, or (iii) is a Person on the list of Specially Designated Nationals and Blocked Persons or subject to the limitations or prohibitions under any other U.S. Department of Treasury's Office of Foreign Assets Control regulation or executive order.

(c) Each of the Loan Parties and each of their respective Subsidiaries are in compliance, in all material respects, with the Patriot Act. No part of the proceeds of the Loans will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

3.17 Capital Stock; Subsidiaries.

(a) All of the outstanding Capital Stock of each Loan Party and each Subsidiary thereof has been duly authorized and validly issued and is fully paid and non-assessable and, in the case of each Loan Party and Subsidiary other than Borrower, has been duly pledged as Collateral under the Guarantee and Security Agreement and is free and clear of all Liens (except Permitted Liens).

(b) The Subsidiaries listed on Schedule 3.17 constitute all the Subsidiaries of each Loan Party as of the Closing Date. Schedule 3.17 sets forth as of the Closing Date, the exact legal name as reflected on the certificate of incorporation (or formation) and jurisdiction of incorporation (or formation) of each Subsidiary of any Loan Party and, as to each such Subsidiary, the percentage and number of each class of Capital Stock owned by each Loan Party. On the Closing Date each Subsidiary of Borrower is a Restricted Subsidiary.

(c) There are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options with respect to Capital Stock of Borrower granted to employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of any Loan Party, except as disclosed on Schedule 3.17.

(d) No Loan Party owns or holds, directly or indirectly, any Capital Stock of any Person other than any Subsidiary. Borrower owns, directly or indirectly through other Subsidiaries, all of the outstanding Capital Stock of its Subsidiaries. Each Loan Party is a party to the Guarantee and Security Agreement.

(e) There are no agreements or understandings (other than the Loan Documents and any such agreements or understandings requiring compliance with applicable restrictions of transfer under the Securities Act of 1933) (i) to which any Loan Party is a party with respect to the voting, sale or transfer of any shares of Capital Stock of any Loan Party (other than Borrower) or restricting the transfer or hypothecation of any such shares or (ii) with respect to the voting, sale or transfer of any shares of Capital Stock of any Loan Party (other than Borrower) or restricting the transfer or hypothecation of any such shares.

3.18 Use of Proceeds. The proceeds of the Loans shall be used for the Refinancing and for working capital and general corporate purposes.

3.19 Environmental Matters. Other than exceptions to any of the following that could not, individually or in the aggregate, reasonably be expected to result in the payment of a Material Environmental Amount:

(a) Each Loan Party and each Subsidiary thereof: (i) is, and within the period of all applicable statutes of limitation has been, in compliance with all applicable Environmental Laws; (ii) holds all Environmental Permits (each of which is in full force and effect) required for any of their current or intended operations or for any property owned, leased, or otherwise operated by any of them; (iii) is, and within the period of all applicable statutes of limitation has been, in compliance with all of their Environmental Permits; and (iv) reasonably believes that: each of their Environmental Permits will be timely renewed and complied with, without material expense; any additional Environmental Permits that may be required of any of them will be timely obtained and complied with, without material expense; and compliance with any Environmental Law that is or is expected to become applicable to any of them will be timely attained and maintained, without material expense.

(b) There has been no release of Materials of Environmental Concern at, on, under, in, or from any Oil and Gas Property or other real property now or, to Borrower's knowledge, formerly owned, leased or operated by any Loan Party or any Subsidiary thereof (other than Hydrocarbons held in tank batteries in the ordinary course), or to Borrower's knowledge at any location to which Materials of Environmental Concern have been sent for re-use or recycling or for treatment, storage, or disposal which could reasonably be expected to (i) give rise to material liability of any Loan Party or any Subsidiary thereof under any applicable Environmental Law or otherwise result in material costs to any Loan Party or any Subsidiary thereof, or (ii) interfere with the continued operations of any Loan Party or any Subsidiary thereof, or (iii) impair the fair saleable value of any Oil and Gas Property or other real property owned or leased by any Loan Party or any Subsidiary thereof.

(c) There is no judicial, administrative, or arbitral proceeding (including any notice of violation or alleged violation) under or relating to any Environmental Law or Environmental Permit to which any Loan Party or any Subsidiary thereof is, or to Borrower's knowledge, will be, named as a party that is pending or, to Borrower's knowledge, threatened.

(d) No Loan Party or any Subsidiary thereof has received any written request for information, or been notified that it is a potentially responsible party under or relating to the federal Comprehensive Environmental Response, Compensation, and Liability Act or any similar Environmental Law, or with respect to any Materials of Environmental Concern.

(e) No Loan Party or any Subsidiary thereof has entered into or agreed to any consent decree, order, or settlement or other agreement, or is subject to any judgment, decree, or order or other agreement, in any judicial, administrative, arbitral, or other forum for dispute resolution, relating to compliance with or liability under any Environmental Law.

3.20 Accuracy of Information, etc.

No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished to either Agent or any Lender by or on behalf of any Loan Party (other than projected financial information, *pro forma* financial information and information of a general forward-looking nature) for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, contained as of the date such statement, information, document or certificate was so furnished, taken as a whole, any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made. The projections and *pro forma* financial information contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of Borrower to be reasonable at the time made, it being recognized by the Lenders that such financial information as it relates to future events is not to be viewed as fact and that actual results during the period or periods covered by such financial information may differ from the projected results set forth therein by a material amount. There is no fact known to any Loan Party that could reasonably be expected to have a Material Adverse Effect that has not been expressly disclosed herein, in the other Loan Documents or in any other documents, certificates and statements furnished to Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

3.21 Security Documents.

(a) The Guarantee and Security Agreement is effective to create in favor of CAA Collateral Agent, for the benefit of the Secured Parties, a legal, valid, binding and enforceable security interest in the Collateral described therein and proceeds and products thereof. In the case of the Pledged Capital Stock described in the Guarantee and Security Agreement, when any stock certificates representing such Pledged Capital Stock are delivered to CAA Collateral Agent and, in the case of Pledged Capital Stock that is a "security" (as defined in the UCC) but is not evidenced by a certificate, when an instructions agreement, substantially in the form of Annex A to the Guarantee and Security Agreement, has been delivered to CAA Collateral Agent, and in the case of any other Collateral described in the Guarantee and Security Agreement, when financing statements in appropriate form are filed in the offices specified on Schedule 3.21(a)-1 (which financing statements may be filed by CAA Collateral Agent) at any time and such other filings as are specified on Schedule 2 to the Guarantee and Security Agreement have been completed (all of which filings may be filed by CAA Collateral Agent) at any time, the Guarantee and Security Agreement shall constitute a valid Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds and products thereof, as security for the Obligations (as defined in the Guarantee and Security Agreement), in each case prior and superior in right to any other Person (except Permitted Liens). Schedule 3.21(a)-2 lists each UCC Financing Statement that (i) names any Loan Party as debtor and (ii) will remain on file after the Closing Date. Schedule 3.21(a)-3 lists each UCC Financing Statement that (i) names any Loan Party as debtor and (ii) will be terminated on or prior to the Closing Date; and on or prior to the Closing Date, Borrower will have delivered to CAA Collateral Agent, or caused to be filed, duly completed UCC termination statements, signed by the relevant secured party, in respect of each such UCC Financing Statement.

(b) Each of the Mortgages is effective to create in favor of CAA Collateral Agent, for the benefit of the Secured Parties, a legal, valid, binding and enforceable Lien on the Mortgaged Properties described therein and proceeds and products thereof; and when the Mortgages are filed in the offices specified on Schedule 3.21(b) (in the case of Mortgages to be executed and delivered on the Closing Date) or in the recording office designated by Borrower and Collateral Agent (in the case of any Mortgage to be executed and delivered pursuant to Section 5.11(c)), each Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Mortgaged Properties described therein and the proceeds and products thereof, as security for the Secured Obligations (as defined in the relevant Mortgage), in each case prior and superior in right to any other Person (other than Persons holding Liens or other encumbrances or rights permitted by the relevant Mortgage).

3.22 Solvency. After giving effect to the incurrence of all Indebtedness and obligations being incurred in connection herewith the Loan Parties, on a consolidated basis, are Solvent.

3.23 Gas Imbalances. Except as set forth in Schedule 3.23, on a net basis there are no Gas Imbalances, take or pay or other prepayments with respect to any Oil and Gas Properties which would require any Loan Party to deliver Hydrocarbons produced from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor.

3.24 Hedging Agreements. Schedule 3.24 (which Schedule 3.24 shall be deemed supplemented by any certificate delivered by Borrower pursuant to Section 5.2(b) (so long as no Default or Event of Default has occurred and is continuing at the time of delivery thereof)) sets forth a true and complete list of all commodity price Hedging Agreements with any Person in effect as of the Closing Date of each Loan Party, the material terms thereof (including the type, term, effective date, termination date, notional amounts or volumes and swap or strike prices, as the case may be), all credit support agreements relating thereto (including any margin required or supplied), and the counterparty to each such agreement.

3.25 Reserve Reports. To Borrower's knowledge, (i) the assumptions stated or used in the preparation of each Reserve Report are reasonable (it being understood by Collateral Agent and the Lenders that assumptions as to future results are subject to uncertainty and that no assurance can be given that any particular projections will be realized to the extent beyond any Loan Party's control), (ii) all information furnished by any Loan Party to the Petroleum Engineers for use in the preparation of each Reserve Report was accurate in all material respects at the time furnished, (iii) there has been no decrease in the amount of the estimated Proved Reserves shown in any Reserve Report since the date thereof, except for changes which have occurred as a result of production in the ordinary course of business, and (iv) at the time furnished, no Reserve Report omitted any statement or information necessary to cause the same not to be misleading to Collateral Agent and the Lenders in any material respect.

3.26 Sale of Production. No Oil and Gas Property is subject to any contractual or other arrangement (i) whereby payment for production is or can be deferred for a substantial period after the month in which such production is delivered (in the case of oil, not in excess of 60 days, and in the case of gas, not in excess of 90 days) or (ii) whereby payments are made to any Loan Party other than by checks, drafts, wire transfer advices or other similar writings, instruments or communications for the immediate payment of money. Except for production sales contracts, processing agreements, transportation agreements and other agreements relating to the marketing of production that are listed on Schedule 3.26 in connection with the Oil and Gas Properties to which such contract or agreement relates: (i) no Oil and Gas Property is subject to any contractual or other arrangement for the sale, processing or transportation of production (or otherwise related to the marketing of production) which cannot be canceled on one year's (or fewer) notice, and (ii) all contractual or other arrangements for the sale, processing or transportation of production (or otherwise related to the marketing of production) are bona fide arm's length transactions made on the best terms available with third parties not affiliated with any Loan Party. Each Loan Party is presently receiving a price for all production from (or attributable to) each Oil and Gas Property covered by a production sales contract or marketing contract listed on Schedule 3.26 that is computed in accordance with the terms of such contract. All production and sales of Hydrocarbons produced or sold from any Oil and Gas Properties has been accounted for and paid to the Persons entitled thereto, in compliance in all material respects with all applicable Requirements of Law.

3.27 Contingent Obligations. There will be no material Contingent Obligations of any Loan Party existing as of the Closing Date.

3.28 Bank Accounts. Schedule 3.28 lists all accounts maintained by or for the benefit of any Loan Party with any bank or financial institution.

3.29 No Burdensome Restrictions. Except as set forth on Schedule 3.29, neither Borrower nor any Restricted Subsidiary is a party to or bound by any contract, or subject to any restriction in any Constituent Document, or any Requirement of Law, which would reasonably be expected to have a Material Adverse Effect.

3.30 Material Contracts. As of the date of this Agreement, (a) all material contracts of the Borrower and its Restricted Subsidiaries required under the rules and regulations of the Securities Exchange Act of 1934, including Item 601 thereof, to be filed with the SEC have been filed and are publicly available, (b) except as set forth on Schedule 3.30 there are no agreements with or among Borrower, any Subsidiary of Borrower and any related persons required to be described pursuant to the rules and regulations of the Securities Exchange Act of 1934, including Item 404 and (c) except as set forth on Schedule 3.30, none of Borrower or any Restricted Subsidiary is a party to any midstream transportation agreement containing minimum volume commitment or similar obligations.

ARTICLE IV
CONDITIONS PRECEDENT

4.1 Conditions to Closing Date. The effectiveness of this Agreement is conditioned on the Closing Date occurring not later than four Business Days following the date hereof (the "*outside date*"). If the Closing Date does not occur on or prior to the outside date, unless Borrower, the Agents and each Lender otherwise agree in writing, this Agreement shall terminate and be not further effect. The obligations of the Agents and each Lender hereunder and the agreement of each Lender to make the Loans requested to be made by it hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions precedent:

(a) Loan Documents. Subject to Section 6.24, each Agent shall have received the following documents, in each case executed and delivered by a duly authorized officer of each of the parties thereto: (i) this Agreement, (ii) the Collateral Agency Agreement, (iii) the Guarantee and Security Agreement for each Loan Party and (iv) a Mortgage covering each of the Mortgaged Properties.

(b) Pledged Capital Stock; Stock Powers; Acknowledgment and Consent; Pledged Notes. CAA Collateral Agent shall have received (i) the certificates representing the shares of Capital Stock that are certificated securities and that are pledged pursuant to the Guarantee and Security Agreement, if any, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof, (ii) in the case of Capital Stock that is a "security" (as defined in the UCC) but is not evidenced by a certificate, an instructions agreement, substantially in the form of Annex A to the Guarantee and Security Agreement, duly executed by any issuer of Capital Stock pledged pursuant to the Guarantee and Security Agreement, and (iii) each promissory note pledged pursuant to the Guarantee and Security Agreement endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank satisfactory to Collateral Agent) by the pledgor thereof.

(c) Filings, Registrations and Recordings. Each document (including any UCC financing statement) required by the Security Documents or under law or reasonably requested by Collateral Agent to be filed, registered or recorded in order to create in favor of CAA Collateral Agent, for the benefit of the Secured Parties, a perfected Lien on the Collateral described therein, prior and superior in right to any other Person (other than with respect to Permitted Liens), shall have been filed, registered or recorded or shall have been delivered to CAA Collateral Agent in proper form for filing, registration or recordation.

(d) Constituent Documents. All documents establishing or implementing the ownership, capital and corporate, organizational, tax and legal structure of each Loan Party shall be reasonably satisfactory to the Agents.

(e) Pro forma Balance Sheet; Financial Statements. The Lenders shall have received (i) the Pro Forma Balance Sheet, (ii) audited consolidated financial statements of Borrower for the 2020, 2021 and 2022 fiscal years and (iii) unaudited interim consolidated financial statements of Borrower since December 31, 2022 for each fiscal quarter ended subsequent to the date of the latest applicable financial statements delivered pursuant to clause (ii) of this paragraph as to which such financial statements are available; and such financial statements shall not, in the reasonable judgment of Administrative Agent or the Lenders, reflect any Material Adverse Effect since December 31, 2022.

(f) Legal Opinions. The Agents shall have received the executed legal opinion of Vinson & Elkins LLP, counsel to the Loan Parties, with respect to such matters as may be reasonably requested by the Agents, and in form and substance reasonably satisfactory to the Agents.

(g) Initial Reserve Report. The Agents shall have received a Reserve Report with respect to the Oil and Gas Properties of Borrower and its Restricted Subsidiaries, dated effective as of August 1, 2023, and otherwise in such form and substance as may be reasonably acceptable to Collateral Agent and the Lenders.

(h) Oil and Gas Properties. Collateral Agent shall have received a true and complete list of all Oil and Gas Properties of Borrower and each Restricted Subsidiary, including all contracts under which Borrower or any Restricted Subsidiary has the right to earn, purchase or otherwise acquire an ownership or revenue interest in any Hydrocarbon Interests of any other Person, and all other Real Property.

(i) Insurance. The Agents shall have received a summary of the insurance carried in respect of each Loan Party and its Properties, including copies of all relevant insurance policies (which insurance shall be for such amounts, against such risk, covering such liabilities and with such deductibles or self-insured retentions as are acceptable to Collateral Agent) and certificates of insurance, satisfying the requirements of Section 5.7(b) and otherwise reasonably satisfactory to Collateral Agent, naming CAA Collateral Agent, for the ratable benefit of the Secured Parties, as "*lender loss payee*" under its property loss policies and as "*additional insured*" on its comprehensive and general policies and providing that they shall not be canceled, amended or changed without at least 30 days' (ten days' for nonpayment) written notice to CAA Collateral Agent.

(j) Budget. The Lenders shall have received a budget for Borrower and its Restricted Subsidiaries for the 2024 fiscal year which budget shall be reasonably acceptable to Collateral Agent and the Lenders.

(k) Lien Searches. The Agents shall have received the results of a recent lien search in each of the jurisdictions or offices in which UCC financing statements or other filings or recordations should be made to evidence or perfect (with the priority required under the Loan Documents) security interests in all assets of the Loan Parties (or would have been made at any time during the five years immediately preceding the Closing Date to perfect Liens on any assets owned on the Closing Date by any Loan Party), and such search shall reveal no Liens on any of the assets of any Loan Party, except for Permitted Liens or Liens set forth on Schedule 3.21(a)-3 that were or will be terminated, released or otherwise discharged on or prior to the Closing Date pursuant to documentation satisfactory to each Agent.

(l) Environmental Matters. The Agents shall have received, if requested by either Agent, a written environmental assessment regarding Borrower and its Restricted Subsidiaries, prepared by an environmental consultant acceptable to Collateral Agent, in form, scope, and substance satisfactory to Collateral Agent, together with a letter from the environmental consultant permitting Collateral Agent and the Lenders to rely on the environmental assessment as if addressed to and prepared for each of them.

(m) Closing Certificates. Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, in form and substance acceptable to Administrative Agent and with appropriate insertions and attachments, (i) certifying as to the Constituent Documents, the resolutions authorizing the Loan Documents and the transactions contemplated thereby, and the officers thereof, and (ii) confirming compliance with the conditions precedent set forth in Sections 4.1(p), (q), (s) and (t).

(n) Solvency. The Lenders shall have received a Solvency Certificate which shall document the solvency of the Loan Parties on a consolidated basis after giving effect to the transactions contemplated hereby.

(o) Other Certifications. Administrative Agent shall have received the following:

(i) a copy of the charter of each Loan Party and each amendment thereto, certified (as of a date reasonably near the date of the initial extension of credit) as being a true and correct copy thereof by the Secretary of State or other applicable Governmental Authority of the jurisdiction in which each such Loan Party is organized;

(ii) a copy of a certificate of the Secretary of State or other applicable Governmental Authority of the jurisdiction in which each Loan Party is organized, dated reasonably near the date of the initial extension of credit, listing the charter of such Loan Party and each amendment thereto on file in such office and certifying that (A) such amendments are the only amendments to such Loan Party's charter on file in such office, (B) such Loan Party has paid all franchise taxes to the date of such certificate and (C) such Loan Party is duly organized and in good standing under the laws of such jurisdiction;

(iii) an electronic confirmation from the Secretary of State or other applicable Governmental Authority of each jurisdiction in which each such Loan Party is organized certifying that such Loan Party is duly organized and in good standing under the laws of such jurisdiction on the date of the initial extension of credit; prepared by, or on behalf of, a filing service acceptable to Administrative Agent; and

(iv) a copy of a certificate of the Secretary of State or other applicable Governmental Authority of the State of Texas, dated reasonably near the date of the initial extension of credit, stating that each Loan Party is duly qualified and in good standing as a foreign corporation or entity in each such jurisdiction and has filed all annual reports required to be filed to the date of such certificate; and electronic confirmation, from the Secretary of State or other applicable Governmental Authority of each such jurisdiction on the date of the initial extension of credit as to the due qualification and continued good standing of each such Person as a foreign corporation or entity in each such jurisdiction on or about such date, prepared by, or on behalf of, a filing service acceptable to Administrative Agent.

(p) Approvals. Permits and third party approvals necessary or, in the sole discretion of Administrative Agent, advisable to be obtained by a Loan Party in connection with this Agreement, the other Loan Documents and the continuing operations of Borrower and its Restricted Subsidiaries and the transactions contemplated hereby shall have been obtained and be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority which would restrain, prevent or otherwise impose adverse conditions on the financing contemplated hereby.

(q) No Material Adverse Effect. Since December 31, 2022, no development, event or circumstance that has had or could reasonably be expected to have a Material Adverse Effect shall have occurred and be continuing.

(r) Due Diligence. The Agents shall have completed a satisfactory due diligence review of the Loan Parties, including with respect to its company organization, business prospects, title to properties, tax, legal and accounting issues. The Lenders shall have completed a satisfactory due diligence review of Borrower, including its business prospects, title to its properties (including the Title Opinions relating to) and tax, legal, environmental and accounting issues.

(s) Representations and Warranties. Each of the representations and warranties made by any Loan Party in or pursuant to any Loan Document shall be true and correct on and as of the Closing Date or, with respect to any representations and warranties that are by their express terms made as of a specified earlier date, on and as of such earlier date.

(t) No Default. No Default or Event of Default shall have occurred and be continuing on the Closing Date.

(u) Additional Documents. The Agents and each Lender shall have received such other documents, agreements, certificates and information as such Persons shall reasonably request.

(v) Beneficial Ownership. Administrative Agent and the Lenders shall have received, at least five Business Days prior to the Closing Date, all documentation and other information requested by Administrative Agent or any Lender or required by regulatory authorities in order for Administrative Agent and the Lenders to comply with requirements of any anti-money laundering laws, including the Patriot Act and any applicable "know your customer" rules and regulations. Borrower shall have delivered to Administrative Agent, and directly to any Lender requesting the same, a Beneficial Ownership Certification in relation to it (or a certification that such Borrower qualifies for an express exclusion from the "legal entity customer" definition under the Beneficial Ownership Regulations), in each case at least five Business Days prior to the Closing Date.

(w) Refinancing. The Agents shall have received evidence satisfactory to each that concurrently with the advancement of Loans hereunder the Refinancing shall occur; and each Agent shall have received true and correct copies of the definitive documentation effecting such Refinancing, which shall be in form and substance reasonably satisfactory to Agents and the Lenders.

(x) Fees. The Lenders and the Agent shall have received all fees required to be paid and Borrower shall have reimbursed Administrative Agent, Collateral Agent, the Lenders and their respective affiliates for all expenses incurred for which it is obligated, in each case, under any Loan Document (including reasonable fees, disbursements and other charges of counsel to Administrative Agent, Collateral Agent and the Lenders), on or before the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the funding instructions given by Borrower to Administrative Agent on or before the Closing Date.

4.2 Conditions Deemed Fulfilled. Except to the extent that Borrower has disclosed in the Borrowing Notice that an applicable condition specified in Section 4.1 will not be satisfied as of the Closing Date, Borrower shall be deemed to have made a representation and warranty as of such time that the conditions specified in Section 4.1 have been satisfied. No such disclosure by Borrower that a condition specified in Section 4.1 will not be satisfied as of Closing Date shall affect the right of each Lender not to make the Loans requested to be made by such Lender if such condition has not been satisfied at such time.

ARTICLE V
AFFIRMATIVE COVENANTS

Borrower hereby agrees that, from and after the Closing Date, and for so long as any Loan or other Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, Borrower shall, and shall cause each of its Restricted Subsidiaries to:

5.1 Financial Statements. Furnish to Administrative Agent and each Lender:

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Borrower, commencing with the fiscal year ending December 31, 2023, a copy of the audited consolidated balance sheet of Borrower and its Restricted Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, together with a narrative discussion and analysis of the financial condition and results of operations of Borrower and its Restricted Subsidiaries for such fiscal year as compared to the previous year, and reported on without a "going concern" or like qualification or exception (other than a "going concern" or other qualification that results solely from any Indebtedness being scheduled to mature to occur within one year from the time such audit opinion is delivered or from a potential or actual inability to satisfy a financial covenant for a future time period), or qualification arising out of the scope of the audit, by the Independent Accountants;

(b) as soon as available, but in any event not later than 60 days after the end of each fiscal quarter of each fiscal year of Borrower, (i) unaudited interim consolidated financial statements of Borrower for such fiscal quarter, together a narrative discussion and analysis of the financial condition and results of operations of Borrower and its Restricted Subsidiaries for such fiscal quarter and for the period from the beginning of the then current fiscal year to the end of such fiscal quarter, as compared to the portion of the Projections covering such periods and to the comparable periods of the previous year, and (ii) a calculation showing Borrower's Excess Cash Flow and LQA EBITDAX for such quarter; and

(c) such other information as Administrative Agent or Collateral Agent may from time to time request, with all such information promptly being made available to each Lender.

All such financial statements delivered pursuant to this Section 5.1 shall be complete and correct in all material respects and prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by the Independent Accountants or Responsible Officer, as the case may be, and disclosed therein, and quarterly financial statements shall be subject to normal year-end audit adjustments and need not be accompanied by footnotes).

Borrower will be deemed to have furnished such reports to the Agents and Lenders if it has filed such reports with the U.S. Securities Exchange Commission using the EDGAR filing system and such reports are publicly available.

5.2 Collateral Reporting. Furnish to Collateral Agent and make available to each Lender upon request:

(a) as soon as available, but in any event within 60 days after the end of each fiscal quarter, a report, in form and substance reasonably satisfactory to Collateral Agent, setting forth a statement of net production and sales proceeds of all Hydrocarbons produced from the Oil and Gas Properties, together with such other information as Collateral Agent may reasonably request;

(b) as soon as available, but in any event within 60 days after the end of each quarterly period of each fiscal year, a report, in form and substance reasonably satisfactory to Collateral Agent, setting forth as of the last Business Day of such quarterly period, a summary of the hedging positions of each Loan Party under all Hedging Agreements (including any contracts of sale which provide for prepayment for deferred shipment or delivery of Hydrocarbons or other commodities) of each Loan Party, including the type, term, effective date, termination date and notional principal amounts or volumes, the hedged price(s), interest rate(s) or exchange rate(s), as applicable, and any new credit support agreements relating thereto;

(c) (i) on or beforeMarch 1st of each year, a Reserve Report covering the Loan Parties' Proved Reserves prepared by the Petroleum Engineers dated as of December 31 of the previous year; (ii) promptly upon written request by Collateral Agent, a Reserve Report prepared by the Petroleum Engineers dated as of the first day of the month during which Borrower receives such request; provided that, unless a Default or an Event of Default shall then be continuing, Collateral Agent may request, at Borrower's cost and expense, no more than one such Reserve Reports during any 12-month period, with any additional requests for updated Reserve Reports during any such period to be at Collateral Agent's cost and expense, and after the occurrence and during the continuance of a Default or Event of Default, Collateral Agent may, from time to time, request such Reserve Reports at the sole cost and expense of Borrower, in each case together with an accompanying report on, since the date of the last Reserve Report previously delivered hereunder, Oil and Gas Property sales, Oil and Gas Property purchases and changes in categories concerning the Oil and Gas Properties owned by the Loan Parties which have attributable to them Proved Reserves and containing information and analysis with respect to the Proved Reserves of the Loan Parties as of the date of such report and the PV 10 Value; and (iii) together with each Reserve Report furnished pursuant to (i) or (ii), (A) any updated production history of the Proved Reserves of the Loan Parties as of such date, (B) the lease operating expenses attributable to the Oil and Gas Properties of the Loan Parties for the prior 12-month period, (C) any other information as to the operations of Borrower and its Restricted Subsidiaries as reasonably requested by Collateral Agent and (D) such additional data and information concerning pricing, quantities, volume of production and production imbalances from or attributable to the Oil and Gas Properties with respect thereto as Collateral Agent may reasonably request;

(d) as soon as available, but in any event within 60 days after the end of each quarterly period of each year, a Reserve Report covering the Loan Parties' Proved Developed Producing Reserves as well as the Proved Developed Producing Reserves expected to result from each Project for which drilling and completion operations have commenced but which is not yet recognized as Proved Developed Producing Reserves in the Reserve Report. Such Reserve Report shall be prepared as of the end of the calendar quarter, which report may be prepared by petroleum engineers who are employees of Borrower (rather than the Petroleum Engineers), together with an accompanying report on Oil and Gas Property sales, Oil and Gas Property purchases and changes in categories since the date of the last Reserve Report previously delivered under this Agreement, both in the same form and substance as the Reserve Reports referred to in Section 5.2(c), each such Reserve Report having been prepared by or at the direction of Borrower and (together with the related PV 10 Value calculation and the lease operating expenses attributable to the Oil and Gas Properties of the Loan Parties for the prior quarter) having been certified in writing by the senior petroleum engineer of Borrower as to the truth and accuracy of the historical information utilized to prepare the Reserve Report and the estimates included therein;

(e) to the extent not previously disclosed to Collateral Agent, promptly upon the acquisition thereof, a listing of any Hydrocarbon Interests or Real Property acquired by any Loan Party at a purchase price in excess of $20,000,000 (or the aggregate purchase price of all such acquisitions exceeds $20,000,000), in each case since the date of the most recent list delivered pursuant to this Section 5.2(e) (or, in the case of the first such list so delivered, since the Closing Date);

(f) reports, certifications, engineering studies, environmental assessments or other written material or data requested by, and in form, scope and substance reasonably satisfactory to, Collateral Agent, in the event that Collateral Agent at any time has a reasonable basis to believe that there may be a material violation of any Environmental Law or a condition at any Property owned, operated or leased by any Loan Party that could reasonably give rise to a Material Adverse Effect, or if an Event of Default has occurred and is continuing; provided that if any Loan Party fails to provide such reports, certifications, engineering studies or other written material or data within 75 days after the request of Collateral Agent, Collateral Agent shall have the right, at such Loan Party's sole cost and expense, to conduct such environmental assessments or investigations as may reasonably be required to enable Collateral Agent to determine whether each of the Loan Parties is in material compliance with Environmental Laws;

(g) prior to any Asset Sale, or any series of related Asset Sales, anticipated to generate in excess of $25,000,000 in aggregate Net Cash Proceeds, at least ten days' prior written notice of such Asset Sale, which notice shall (i) describe such Asset Sale or the nature and material terms and conditions of such transaction and (ii) state the estimated Net Cash Proceeds anticipated to be received by any Loan Party;

(h) [Reserved].

(i) as soon as is practicable following the written request of Collateral Agent, (i) and in any event within 75 days after the end of each fiscal year, a report in form and substance satisfactory to Collateral Agent and the Lenders outlining all material insurance coverage maintained as of the date of such report by each Loan Party and the duration of such coverage and (ii) evidence reasonably satisfactory to Collateral Agent that all premiums then due and payable with respect to such coverage have been paid and confirming that CAA Collateral Agent has been named as loss payee or additional insured, as applicable;

(j) concurrently with the delivery of each Reserve Report hereunder, an updated Wells in Progress Report and an updated Capital Plan covering at least the Qualifying Projects expected to commence drilling operations in the next calendar quarter, containing a certificate of a Responsible Officer substantially in the form of Exhibit L; and

(k) upon request by Collateral Agent, such other reports and information with respect to the Oil and Gas Properties of the Loan Parties, the other Collateral or the financial condition of the Loan Parties as may be so requested, with all such other reports and information promptly being made available to each other Lender upon request.

Each delivery of a Reserve Report by Borrower to Collateral Agent pursuant to this Agreement shall constitute a representation and warranty by Borrower to Administrative Agent, Collateral Agent, and the Lenders (a) with respect to the matters referenced in Section 3.9(c), (b) that the Loan Parties own the Oil and Gas Properties specified therein free and clear of any Liens (except Permitted Liens) and (c) that the Mortgaged Properties constituting at least 95% of the PV 10 Value of all Proved Reserves covered therein are subject to an Acceptable Security Interest.

5.3 Certificates; Other Information. Furnish to each Agent, and make available to each Lender:

(a) concurrently with the delivery of any financial statements pursuant to Section 5.1, (i) a Compliance Certificate of a Responsible Officer (A) stating that, to the best of such Responsible Officer's knowledge, each Loan Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and the other Loan Documents to which it is a party to be observed, performed or satisfied by such Loan Party, and that such Responsible Officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, and (B) containing all information and calculations necessary for determining compliance by the Loan Parties with the provisions of this Agreement referred to therein as of the last day of the calendar month, fiscal quarter or fiscal year of Borrower, as the case may be, (ii) to the extent not previously disclosed to Collateral Agent, in writing, an updated listing of any Oil and Gas Properties, Hydrocarbon Interests or other Real Property, or with respect to which any Loan Party shall acquire a right to earn, purchase or otherwise acquire, since the date of the most recent updated list delivered pursuant to this clause (ii) (or, in the case of the first such list so delivered, since the Closing Date) and (iii) authorization to file any UCC financing statements or other filings specified in such Compliance Certificate as being required to be delivered therewith;

(b) as soon as available (and in any event no later than the earlier of (x) 75 days after the end of each fiscal year of Borrower and (y) the filing by Borrower each year of its Annual Report on Form 10-K with the U.S. Securities Exchange Commission using the EDGAR filing system with respect to such preceding fiscal year of Borrower) a detailed consolidated budget for the following four fiscal quarters (including a projected consolidated balance sheet of Borrower and its Restricted Subsidiaries as of the end of the following four fiscal quarters, and the related consolidated statements of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto) (collectively, the "***Projections***") and a reconciliation of the actual expenditures, consolidated balance sheet, and consolidated statements of cash flow for the immediately preceding fiscal quarter to the previously projected expenditures, consolidated balance sheet, and consolidated statements of cash flow for the such fiscal quarter and (ii) and, as soon as available, significant revisions, if any, of such budget and Projections with respect to such fiscal quarters, which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect; and be in a format and with such detail as Collateral Agent may request.

(c) as soon as possible and in any event within five days of obtaining knowledge thereof: (i) notice of any development, event, or condition that, individually or in the aggregate with other developments, events or conditions that, individually or in the aggregate, could reasonably be expected to result in the payment by the Loan Parties in the aggregate, of a Material Environmental Amount; and (ii) any notice that any Governmental Authority has taken action to or may deny any application for an Environmental Permit or other material permit sought by, or revoke or refuse to renew any such Permit held by any Loan Party or operator of any Oil and Gas Property or condition approval of any such Permit on terms and conditions if the effect of any such action would have a material adverse effect on any Loan Party or operator of any Oil and Gas Property, or to the operation of any of its businesses or any property owned, leased or otherwise operated by such Person or to the development of or production from any Oil and Gas Property;

(d) within five Business Days after receipt thereof by any Loan Party, copies of each final management letter, exception report or similar letter or report received by such Loan Party from its Independent Accountant;

(e) (i) no later than 10 Business Days prior to the effectiveness thereof, copies of substantially final drafts of any proposed amendment, supplement, waiver or other modification with respect to any Constituent Document of any Loan Party, and (ii) promptly upon execution of any amendment, supplement, waiver or other modification described in clause (i) above, a fully executed copy thereof; and

(f) promptly, such additional collateral information as Administrative Agent or Collateral Agent, may from time to time reasonably request, with all of such additional collateral information promptly being made available to each Lender.

5.4 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all of its material obligations of whatever nature, except where the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of the Loan Party obligated therefor.

5.5 Maintenance of Existence; Compliance with Obligations, Requirements, etc.

(a) (i) Preserve, renew and keep in full force and effect its corporate or other existence and (ii) take all reasonable action to maintain all rights, privileges, franchises, Permits and licenses necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 6.4 and except, in the case of clause (ii) above, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) To the extent not in conflict with this Agreement or the other Loan Documents, comply with all (i) Contractual Obligations and Constituent Documents and (ii) Permits and Requirements of Law, and use its reasonable efforts to cause all employees, crew members, agents, contractors and subcontractors of any Loan Party to comply with all Permits and Requirements of Law as may be necessary or appropriate to enable such Loan Party so to comply, except, in the case of Contractual Obligations, Permits and Requirements of Law, where the failure to comply could not reasonably be expected to result in a Material Adverse Effect.

5.6 Operation and Maintenance of Property.

(a) Keep, preserve and maintain all Property and systems, including all improvements, personal property and equipment, useful and necessary in its business in good working order and condition in accordance with the general practice of other businesses of similar character and size (ordinary wear and tear excepted) and make all necessary repairs, renewals and replacements so that its business may be property conducted at all times.

(b) To the extent that the Oil and Gas Properties are operated by any Loan Party, act as a prudent operator in an effort to identify and prevent the occurrence of any drainage of Hydrocarbons from the Oil and Gas Properties and carry out all such operations as would a reasonable and prudent operator in accordance with standard industry practices; and, to the extent that the Oil and Gas Properties are not operated by any Loan Party, utilize the property and contractual rights of each Loan Party as a prudent owner in an effort to identify and prevent the occurrence of any drainage of Hydrocarbons from the Oil and Gas Properties and to cause the reasonable and prudent operation thereof in accordance with standard industry practices and applicable leases and other contracts.

(c) Promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties or other material Properties and will do all other things necessary to keep unimpaired their rights with respect thereto and prevent any forfeiture thereof or default thereunder.

(d) Promptly perform or make reasonable and customary efforts to cause to be performed, in accordance with industry standards, the obligations required by each and all of the assignments, deeds, leases, sub-leases, contracts and agreements affecting its interests in its Properties.

(e) To the extent any Loan Party is not the operator of any Oil and Gas Properties or other material Properties, use its best efforts to cause the operator to comply with this Section 5.6.

5.7 Insurance.

(a) Maintain with financially sound and reputable insurance companies insurance on all its Property meeting the requirements of the Guarantee and Security Agreement and in at least such amounts and against at least such risks (but including in any event general liability) as are usually insured against in the same general area by companies engaged in the same or a similar business, with such deductibles as are reasonably acceptable to Collateral Agent.

(b) Name CAA Collateral Agent, for the ratable benefit of the Secured Parties, as “loss payee” under its casualty loss policies and CAA Collateral Agent as “additional insured” on its comprehensive and general liability policies and cause all such casualty loss policies to be reasonably satisfactory to Collateral Agent in all respects and provide that they shall not be canceled, amended or changed without at least 30 days’ (ten days’ for nonpayment) written notice to CAA Collateral Agent, it being understood, that, so long as no Event of Default has occurred and is continuing, Net Cash Proceeds of any insurance policies shall be applied in accordance with Sections 2.7 and 2.9.

5.8 Inspection of Property; Books and Records; Discussions.

(a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities.

(b) Permit Administrative Agent and Collateral Agent, or any of their respective agents or representatives thereof, from time to time during Borrower’s normal business hours, as often as may be reasonably requested and upon two Business Days’ notice (except that, during the continuance of an Event of Default, no such notice shall be required) to (i) go upon, examine, inspect and remain on the Properties of any Loan Party, (ii) during any such visit, inspect and verify the amount, character and condition of any of the Property of any Loan Party, (iii) during any such visit, examine and, at Borrower’s cost and expense, make copies of and abstracts from the records and books of account of any Loan Party, and (iv) discuss the affairs, finances and accounts of any Loan Party with any of their respective officers, directors, employees, Independent Accountants or Petroleum Engineers, it being understood that, except as otherwise stated in clause (iii) above, Administrative Agent and Collateral Agent will pay the costs and expenses incurred by it in exercising its rights under this Section 5.8(b); provided that after the occurrence and during the continuation of an Event of Default, Borrower shall reimburse Administrative Agent and Collateral Agent promptly after a request therefor for the reasonable costs and expenses incurred by it in connection with the exercise of its rights under this Section 5.8(b).

(c) Authorize the Independent Accountants of Borrower (i) to disclose to Administrative Agent or any Lender any and all financial statements and other information of any kind, as Administrative Agent or any Lender reasonably requests, from Borrower and which the Independent Accountants may have with respect to the business, financial condition, results of operations or other affairs of any Loan Party and (ii) to disclose and provide copies of the Independent Accountants work papers and other information pertaining the preparation by it of the consolidated financial statements of Borrower to any accounting firm or financial service consultant retained by an Agent or any Lender and identified to Borrower for purposes reviewing the books, records and financial statements of the Loan Parties.

5.9 Notices. Promptly, and in any event within five Business Days after Borrower's knowledge thereof, give notice to Administrative Agent and each Lender of:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default (or alleged default) under any Contractual Obligation of any Loan Party or (ii) litigation, investigation or proceeding which may exist at any time between any Loan Party and any Governmental Authority, that in case of clause (i) or (ii), if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Loan Party in which the damages claimed are not covered by insurance is $20,000,000 or more or in which injunctive or similar relief is sought; and

(d) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 5.9 shall be accompanied by a statement of a Responsible Officer setting forth details of the occurrence referred to therein and stating what action any Loan Party proposes to take with respect thereto.

5.10 Environmental Laws.

(a) Comply in all material respects with, and ensure compliance in all material respects at any Property owned, leased or operated by any Loan Party by or Subsidiary, if any, with, all applicable Environmental Laws and Environmental Permits, and obtain and comply in all material respects with any and all Environmental Permits required by applicable Environmental Laws with respect to any Property owned, leased or operated by any Loan Party.

(b) Conduct and complete all investigations, studies, sampling and testing, and all reporting, investigative, remedial, removal and other actions required under Environmental Laws as a result of a release of or the threatened release of Materials of Environmental Concern, and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws.

(c) As soon as available, and in any case within five Business Days prior to the closing of any acquisition of Oil and Gas Properties by a Loan Party for which Borrower reasonably believes that liability of any Loan Party for environmental remediation potentially associated with the ownership or operation of all such Oil and Gas Properties (exclusive of usual and customary platform maintenance, refurbishment and abandonment obligations) is expected to exceed a Material Environmental Amount, deliver to Collateral Agent an environmental report covering such Oil and Gas Properties to be acquired, in form and substance reasonably satisfactory to Collateral Agent.

(d) Promptly, but in no event later than five days after the occurrence of a triggering event, notify Collateral Agent in writing of any action, investigation or inquiry by any Governmental Authority or any demand by any landowner or other third party against any Loan Party or its Properties of which Borrower has knowledge in connection with any Environmental Laws (excluding routine testing and corrective action) if Borrower reasonably anticipates that such action may result in liability (whether individually or in the aggregate) in excess of a Material Environmental Amount.

(e) Establish and implement such procedures as may be necessary to continuously determine and assure that the obligations of each Loan Party under this Section 5.10 are timely and fully satisfied.

5.11 Commodity Price Protection.

(a) Not later than September 30, 2023, enter into and maintain Qualified Hedging Agreements for (x) not less than an average of 27 MBbl/d for the 12-month period ending September 30, 2024 and (y) not less than an average of 15 MBbl/d for the 12-month period ending September 30, 2025.

(b) Not later than September 30, 2024, enter into and maintain Qualifying Hedging Agreements for not less than an additional average of 10 MBbl/d for the 12-month period ending September 30, 2025.

(c) All Qualifying Hedging Agreements consisting of swaps, put options and collars together must have either an average price or a floor price equal to at least 85% of the NYMEX Strip Price (without adjustment for any basis differential) as of the date such new Qualified Hedging Agreement is entered into, net of any premiums.

(d) Provide Collateral Agent a copy of each Hedging Agreement confirmation provided to any Loan Party as soon as practicable, but in any event within five Business Days after the receipt thereof.

5.12 Collateral Matters.

(a) Subject to Section 6.24, at all times Borrower shall, and shall cause each other Loan Party, to maintain an Acceptable Security Interest in Mortgaged Properties constituting at least (i) 95% of the PV 10 Value of the Loan Parties' Proved Reserves and (ii) 95% of the book value of Oil and Gas Properties other than Proved Reserves as of Borrower's most recently ended fiscal quarter (including the fiscal year end) for which its financial statements are available.

(b) With respect to any Oil and Gas Property or other Property (including any interest of a Loan Party in Oil and Gas Properties acquired as the result of the formation of any pool or unit in accordance with Section 6.19) acquired after the Closing Date by any Loan Party as to which CAA Collateral Agent, for the benefit of the Secured Parties, does not have an Acceptable Security Interest (other than any Real Property not constituting an Oil and Gas Property unless otherwise requested by Collateral Agent), promptly, and in any event within 30 days, (i) execute and deliver to CAA Collateral Agent (with copies to Collateral Agent) such Security Documents or amendments to Security Documents and take all actions, including without limitation, the filing of any financing statements or Mortgages, as Collateral Agent deems necessary or advisable to grant to CAA Collateral Agent, for the benefit of the Secured Parties, an Acceptable Security Interest in such Property, and (ii) if such Property includes Oil and Gas Properties having any Proved Reserves, deliver to Collateral Agent Title Opinions and such other legal opinions relating to the matters described in clause (i) immediately preceding as Collateral Agent may reasonably request, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to Collateral Agent; provided that unless any one Property or a series of Properties is acquired for a purchase price or other consideration in excess of an aggregate $50,000,000, Borrower shall not be required to take the actions specified in this Section 5.12(b) prior to the end of the fiscal quarter in which the acquisition occurs.

(c) With respect to any new Subsidiary created or acquired by any Loan Party or otherwise becoming a Subsidiary after the Closing Date (other than Unrestricted Subsidiary), promptly, and in any event within 20 days after such creation, acquisition or becoming a Subsidiary, (i) execute and deliver to CAA Collateral Agent (with copies to Collateral Agent) such Security Documents or amendments to Security Documents as Collateral Agent deems necessary or advisable to grant to CAA Collateral Agent, for the benefit of the Secured Parties, a perfected first priority Lien and security interest in the Capital Stock of such new Subsidiary that is owned by any Loan Party (subject only to the Permitted Lien in favor of Collateral Agent), (ii) deliver to CAA Collateral Agent (A) the certificates (if any) representing such Capital Stock, together with undated powers, in blank, executed and delivered by a duly authorized officer of the Loan Party owning such Capital Stock and (B) in the case of a Restricted Subsidiary whose Capital Stock is a security that is not evidenced by certificates, an Instructions Agreement, substantially in the form of Annex A to the Guarantee and Security Agreement, duly executed by such Restricted Subsidiary and each Loan Party owning such Capital Stock, (iii) cause such new Restricted Subsidiary (A) to become a party to the Guarantee and Security Agreement and any other applicable Security Documents (including Mortgages and Control Agreements) and (B) to take such other actions as are necessary or advisable to grant to CAA Collateral Agent for the benefit of the Secured Parties a perfected first priority Lien and security interest in the Collateral described in the Guarantee and Security Agreement with respect to such new Restricted Subsidiary and, pursuant to Mortgages and Control Agreements, all Oil and Gas Properties and bank accounts owned by such Restricted Subsidiary, subject in each case only to Permitted Liens, including the execution and delivery by all necessary third parties of any Control Agreements and Mortgages, the filing of UCC financing statements in such jurisdictions as may be required by the Guarantee and Security Agreement or by law, the filing of any Mortgages in appropriate filing offices and the making of any other filings required by law or as may be requested by Collateral Agent, and (iv) if requested by Collateral Agent, deliver to Collateral Agent legal opinions (including Title Opinions) relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to Collateral Agent.

(d) Notwithstanding that, by the terms of the various Security Documents, the Loan Parties are and will be assigning to CAA Collateral Agent as further Collateral all of the net proceeds of production from the Mortgaged Properties covered by such Security Documents, so long as no Event of Default has occurred, the Loan Parties may continue to receive from the purchasers of such production all such proceeds, subject, however, to the Liens created under the Security Documents, which Liens are hereby affirmed and ratified. Upon the occurrence and during the continuation of an Event of Default, CAA Collateral Agent or Collateral Agent may exercise all rights and remedies granted under the Loan Documents subject to the terms thereof, including the right to obtain possession of all proceeds of production from such Mortgaged Properties then held by such Loan Parties or to receive directly from the purchasers of production all other proceeds of production. In no case shall any failure, whether intentioned or inadvertent, by CAA Collateral Agent, Collateral Agent or Lenders to collect directly any such proceeds of production from the Mortgaged Properties constitute in any way a waiver, remission or release of any of their rights under the Security Documents, nor shall any release of any proceeds of production from any Oil and Gas Properties by CAA Collateral Agent, Collateral Agent or Lenders to any Loan Parties constitute a waiver, remission, or release of any other proceeds of production from any Oil and Gas Properties or of any rights of CAA Collateral Agent, Collateral Agent or Lenders to collect other proceeds of production from the Oil and Gas Properties thereafter.

5.13 Title Matters.

(a) Take such actions and execute and deliver such documents and instruments as Collateral Agent may require to ensure that Collateral Agent shall, at all times, have received title reviews or, upon the request of Collateral Agent, supplemental or new Title Opinions, in each case in form and substance satisfactory to Collateral Agent in its sole discretion and reflecting that CAA Collateral Agent has an Acceptable Security Interest in Mortgaged Properties constituting not less than 95% of the PV 10 Value of all Proved Reserves of the Loan Parties.

(b) Upon request of Collateral Agent, deliver such title information (but not Title Opinions) reasonably acceptable to Collateral Agent with respect to Oil and Gas Properties for which there are no associated Proved Reserves reflecting that CAA Collateral Agent has an Acceptable Security Interest in Mortgaged Properties constituting not less than 95% of the book value of Oil and Gas Properties other than Proved Reserves as of Borrower's most recently ended fiscal quarter (including the fiscal year end) for which its financial statements are available.

(c) Within 30 days after (i) a request by Collateral Agent or the Lenders to cure any title defects or exceptions which are not Permitted Liens or (ii) a notice by Collateral Agent that Borrower has failed to comply with this Section, (A) cure such title defects or exceptions which are not Permitted Liens and (B) deliver to Collateral Agent title evidence (including supplemental or new Title Opinions meeting the foregoing requirements), in form and substance acceptable to Collateral Agent in its sole discretion, as to the Loan Parties' ownership of such Oil and Gas Properties and the Secured Parties' Liens and security interests therein as are required to maintain compliance with this Section.

5.14 Use of Proceeds. Use the proceeds of the Loans only for the purposes specified in Section 3.18.

5.15 Patriot Act Compliance. Provide such information and take such actions as are reasonably required by Administrative Agent or any Lender in order to assist Administrative Agent and Lenders with compliance with the Patriot Act.

5.16 Further Assurances.

(a) From time to time execute and deliver, or cause to be executed and delivered, such additional instruments, certificates or documents, and take all such actions, as Administrative Agent or Collateral Agent may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and the other Loan Documents, including an Acceptable Security Interest in favor of CAA Collateral Agent for the benefit of the Secured Parties, or of more fully perfecting or renewing the rights of Administrative Agent, Collateral Agent, and the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds or products thereof or with respect to any other Property hereafter acquired by any Loan Party, which may be deemed to be part of the Collateral) pursuant hereto or thereto.

(b) Upon the exercise by Administrative Agent, Collateral Agent, or any Lender of any power, right, privilege or remedy pursuant to this Agreement or the other Loan Documents which requires any consent, approval, recording, qualification or authorization of any Governmental Authority, execute and deliver, or cause the execution and delivery of, all applications, certifications, instruments and other documents and papers that Administrative Agent, Collateral Agent, or such Lender may be required to obtain from Borrower or any of its Restricted Subsidiaries for such governmental consent, approval, recording, qualification or authorization.

(c) Preserve and protect the Acceptable Security Interest of each respective Mortgage and, if any Lien (other than Permitted Liens) is asserted against a Mortgaged Property, promptly and at its expense, give Collateral Agent a detailed written notice of such Lien and pay the underlying claim in full or take such other action so as to cause it to be released or bonded over in a manner satisfactory to Collateral Agent.

5.17 Designation of Unrestricted Subsidiaries.

(a) Unless designated as an Unrestricted Subsidiary pursuant to this Section 5.17, any Person that becomes a Subsidiary of Borrower or any of its Restricted Subsidiaries shall be classified as a Restricted Subsidiary. Borrower may designate any Restricted Subsidiary to be an Unrestricted Subsidiary by written notice to Administrative Agent and Collateral Agent if (i) prior, and after giving effect, to such designation, no Default or Event of Default exists and is continuing or would exist and be continuing, (ii) the Borrower is in compliance the covenants set forth in Section 6.1, calculated on a pro forma basis giving effect to such designation, (iii) such Subsidiary is formed solely to facilitate the funding and consummation of an acquisition of assets used or useful to Borrower in the ordinary course of its business and (iv) none of Borrower or any Restricted Subsidiary shall have made any Investment in such Subsidiary (other than for purposes of formation expenses) prior to its designation as an Unrestricted Subsidiary;

(b) Borrower will not, and will not permit any of the Restricted Subsidiaries to, incur, assume, guarantee or be or become liable for any Indebtedness of any of the Unrestricted Subsidiaries;

(c) Borrower will not permit any Unrestricted Subsidiary to hold any Capital Stock in, or any Indebtedness of, Borrower or any Restricted Subsidiary;

(d) Borrower will cause the management, business and affairs of each of Borrower and its Restricted Subsidiaries and its Unrestricted Subsidiaries to be conducted in such a manner (including by keeping separate books of account, furnishing separate financial statements of the Unrestricted Subsidiaries to creditors and potential creditors thereof and by not permitting Properties of Borrower and its Restricted Subsidiaries to be commingled) so that each Unrestricted Subsidiary that is a corporation will be treated as a corporate entity separate and distinct from Borrower and any Restricted Subsidiary;

(e) Any designation of a Subsidiary of Borrower as an Unrestricted Subsidiary will be evidenced to Administrative Agent and Collateral Agent by delivery of a certified copy of a resolution of the Board of Directors giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and the conditions set forth in the definition of "Unrestricted Subsidiary." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary (including the requirements set forth in the definition of "Unrestricted Subsidiary"), it will thereafter cease to be an Unrestricted Subsidiary for purposes of under this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of Borrower as of such date and, if such Indebtedness is not permitted to be incurred as of such date under this Agreement, Borrower will be in default of such covenant; and

(f) The Board of Directors may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that (i) any outstanding Indebtedness of such Unrestricted Subsidiary must qualify as Permitted Acquisition Indebtedness; and (ii) no Default or Event of Default would be in existence following such designation.

5.18 Ratings. Use commercially reasonable efforts to obtain, not later than 45 days after the Closing Date, and maintain (all at Borrower's expense), (a) a current public corporate credit rating and public corporate family rating from Fitch with respect to the Borrower and (b) a current public rating with respect to this facility and the Loans from Fitch.

5.19 Senior Credit Facility. At such time and from time to time, if ever, following the Closing Date that Borrower shall enter into a Senior Credit Facility, Borrower shall promptly, and within three Business Days thereafter, deliver to Agents true and correct copies of the definitive documentation for such facility, which facility shall be in form and substance reasonably satisfactory to Agents.

ARTICLE VI
NEGATIVE COVENANTS

Borrower hereby agrees that, from and after the Closing Date, and for so long as any Loan or other Obligation hereunder which is accrued and payable shall remain unpaid or unsatisfied, Borrower shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

6.1 Financial Condition Covenants. Permit, as of the last day of any fiscal quarter of Borrower:

(a) the Asset Coverage Ratio to be less than 1.50 to 1.00; or

(b) the Total Net Leverage Ratio to exceed 2.00 to 1.00.

6.2 Indebtedness. Create, incur, assume, issue, guaranty or suffer to exist any Indebtedness, except for the following ("***Permitted Indebtedness***"):

(a) Indebtedness of any Loan Party pursuant to any Loan Document and any Term Refinancing Debt;

(b) Indebtedness under any Senior Credit Facility (i) not to exceed $100,000,000 in aggregate principal amount outstanding at any time or (ii) constituting secured Cash Management Obligations under such Senior Credit Facility;

(c) Indebtedness of Borrower to any Subsidiary Guarantor and of any Wholly Owned Subsidiary Guarantor to Borrower; provided that such Indebtedness is expressly subordinated at all times to the Indebtedness under the Loan Documents pursuant to the terms of the Guarantee and Security Agreement.

(d) Guarantee Obligations made in the ordinary course of business by Borrower or any of its Restricted Subsidiaries of obligations of Borrower or any Subsidiary Guarantor; provided that such Guarantee Obligations shall be subordinated to the Indebtedness under the Loan Documents to the extent that the underlying Indebtedness that is being guaranteed is required to be subordinated to the Indebtedness under the Loan Documents pursuant to this Section 6.2.

(e) Indebtedness under any Hedging Agreement permitted pursuant to Section 6.16;

(f) unsecured current accounts payable incurred in the ordinary course of business which are (i) outstanding for not more than 90 days past the original invoice or billing date thereof or (ii) being contested in good faith by appropriate proceedings, if such reserve as may be required by GAAP shall have been made therefor;

(g) amounts owed by Borrower or any Restricted Subsidiary to operators of Hydrocarbon Interests under joint operating agreements, pooling or unitization agreements or similar contractual arrangements arising in the ordinary course of the business of Borrower or its Restricted Subsidiaries to secure amounts owing, which amounts are not more than 60 days past due or are being contested in good faith by appropriate proceedings if such reserves as may be required by GAAP shall have been made therefor;

(h) extensions of credit from suppliers or contractors who are not Affiliates of Borrower for the performance of labor or services or the provision of supplies or materials under applicable contracts or agreements in the ordinary course of business in connection with Borrower's or any Restricted Subsidiary's oil and gas exploration and development activities, which are not more than 60 days overdue or are being contested in good faith by appropriate proceedings, if such reserves as may be required by GAAP shall have been made therefor;

(i) obligations for ad valorem, severance and other Taxes payable that are not overdue; and

(j) accrued FAS 143 asset retirement obligations;

(k) Indebtedness outstanding on the date hereof and listed on Schedule 3.6 and any refinancings, refundings, renewals or extensions thereof (without any increase in the principal amount thereof or any shortening of the maturity of any principal amount thereof);

(l) Permitted Intercompany Debt;

(m) additional unsecured Indebtedness of Borrower or any Subsidiary Guarantor in an aggregate principal amount (for Borrower and all Subsidiary Guarantors) not to exceed $25,000,000 at any one time outstanding;

(n) Permitted Acquisition Indebtedness incurred by Borrower or any Subsidiary Guarantor; and

(o) Indebtedness of the Borrower or any Restricted Subsidiary in respect of performance bonds, bid bonds, appeal bonds, surety bonds, performance and completion guarantees and similar obligations (other than in respect of Indebtedness for borrowed money) incurred in the ordinary course of business.

The accrual of interest (other than interest paid in kind or other payment of additional principal) or dividends, the accretion of accreted value, the accretion or amortization of original issue discount, and the payment of interest or dividends in the form of additional Indebtedness of the same class, and accretion or amortization of original issue discount or liquidation preference will, in each case, not be deemed to be an incurrence of Indebtedness for purposes of this Section 6.2.

6.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for Taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the applicable Loan Party in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings and for which adequate reserves with respect thereto are maintained in the books of the applicable Loan Party in conformity with GAAP; provided that at no time shall such sums being contested exceed in the aggregate $25,000,000;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits by or on behalf of Borrower or any of its Restricted Subsidiaries to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, plugging and abandoning surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, so long as the aggregate amount of such deposits at any one time does not exceed $5,000,000;

(e) encumbrances consisting of easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of Borrower or any of its Restricted Subsidiaries for the purpose of roads, pipelines, transmission lines, transportation lines, distribution lines for the removal of gas, oil, coal or other minerals and other like purposes, that, do not secure Indebtedness or other monetary obligations and, in the aggregate, are not substantial in amount and do not materially impairs the use of such property by any Loan Party in the operation of its business and which do not in any case materially detract from the value of the Property subject thereto are or would be violated in any material respect by existing or proposed operations of any Loan Party;

(f) Liens in existence on the date hereof listed on Schedule 6.3(f), securing Indebtedness permitted by Section 6.2(k), provided that no such Lien is spread to cover any additional Property after the Closing Date and that the amount of Indebtedness secured thereby is not increased;

(g) Liens created pursuant to the Security Documents (including the Liens securing obligations under the Senior Credit Facility and the Qualified Hedging Agreements);

(h) the interest or title of a lessor under any lease entered into by Borrower or any of its Restricted Subsidiaries in the ordinary course of its business and covering only the assets so leased;

(i) all lessors' royalties (and Liens to secure the payment thereof), overriding royalties, net profits interests, carried interests, reversionary interests and other burdens on or deductions from the proceeds of production with respect to each Oil and Gas Property (in each case) that do not operate to reduce the net revenue interest for such Oil and Gas Property (if any) as reflected in any Mortgage or the most recently delivered Reserve Report or increase the working interest for such Oil and Gas Property (if any) as reflected in any Mortgage or the most recently delivered Reserve Report without a corresponding increase in the corresponding net revenue interest;

(j) Liens under any oil and gas leases, farm-out agreements, production sales contracts, division orders, contracts for sale, operating agreements, area of mutual interest agreements, production handling agreements, joint venture agreements, oil and gas partnership agreements, unitization and pooling declarations and agreements, transportation agreements, marketing agreements, processing agreements, development agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or other geophysical permits or agreements in each case to the extent the same (i) are ordinary and customary to the oil, gas and other mineral exploration, development, processing or extraction business, (ii) do not otherwise cause any other express representation or warranty of any Loan Party in any of the Loan Documents to be untrue, (iii) do not operate to reduce the net revenue interest for such Oil and Gas Property (if any) as reflected in any Mortgage or the most recently delivered Reserve Report, or increase the working interest for such Oil and Gas Property (if any) as reflected in any Mortgage or the most recently delivered Reserve Report without a corresponding increase in the corresponding net revenue interest, and (iv) secure obligations that are not delinquent and do not in any case materially detract from the value of the Oil and Gas Property subject thereto;

(k) Liens not securing Indebtedness arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights and remedies and burdening only deposit accounts or other funds maintained with a creditor depository institution, provided that no such deposit account is a dedicated cash collateral account or is subject to restrictions against access by the depositor in excess of those set forth by regulations promulgated by the Board and no such deposit account is intended by any Loan Party to provide collateral to the depository institution; and

(l) Liens securing obligations not in excess of $25,000,000 at any one time.

6.4 Fundamental Changes. Enter into any merger, consolidation, restructuring, recapitalization, reorganization or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), Dispose of all or substantially all of its Property or business or amend, modify or otherwise change its name, jurisdiction of organization, organizational number, identification number or FEIN, except that, if no Default shall have occurred and be continuing:

(a) any Restricted Subsidiary of Borrower may be merged or consolidated with or into Borrower (provided that Borrower shall be the continuing or surviving entity) or with or into any Wholly Owned Subsidiary Guarantor (provided that (i) such Subsidiary Guarantor shall be the continuing or surviving entity or (ii) simultaneously with such transaction, the continuing or surviving entity shall become a Subsidiary Guarantor and Borrower shall comply with Section 5.12 in connection therewith); and

(b) any Restricted Subsidiary of Borrower may Dispose of any or all of its assets (upon voluntary liquidation or otherwise) to Borrower or any Wholly Owned Subsidiary Guarantor;

(c) the Capital Stock of any Restricted Subsidiary may be transferred to Borrower or any other Wholly Owned Subsidiary Guarantor; and

(d) Borrower or any Restricted Subsidiary may amend, modify or otherwise change its name, jurisdiction of organization, organizational number, identification number or FEIN in accordance with and to the extent permitted by Section 3.03(a) of the Guarantee and Security Agreement.

6.5 Disposition of Property. Dispose of any of its Property (including, receivables and leasehold interests and the Liquidation of Hedging Agreements), whether now owned or hereafter acquired, or, in the case of any Restricted Subsidiary of Borrower, issue or sell any shares of such Restricted Subsidiary's Capital Stock (including pursuant to any merger, consolidation, restructuring, recapitalization, reorganization or amalgamation) to any Person, except:

(a) Dispositions of obsolete or worn out property in the ordinary course of business;

(b) Dispositions permitted by Section 6.4(b); Investments permitted by Section 6.8 and Restricted Payments permitted by Section 6.6;

(c) the sale or issuance of any Restricted Subsidiary's Capital Stock to Borrower or any Wholly Owned Subsidiary Guarantor;

(d) the sale of inventory (including Hydrocarbons sold as produced) which is sold in the ordinary course of business on ordinary trade terms; provided that no contract for the sale of Hydrocarbons shall obligate Borrower or any of its Restricted Subsidiaries to deliver Hydrocarbons at a future date without receiving full payment therefor within 90 days after delivery;

(e) the issuance of Capital Stock of Borrower for cash;

(f) Dispositions of claims against customers, working interest owners, other industry partners or any other Person in connection with workouts or bankruptcy, insolvency or other similar proceedings with respect thereto;

(g) Dispositions of funds collected for the beneficial interest of, or of the interests owned by, royalty, overriding royalty or working interest owners;

(h) abandonment of Properties not capable of producing Hydrocarbons in paying quantities after expiration of their primary terms;

(i) any Casualty Recovery Event, provided that the proceeds thereof are applied as permitted under Section 2.7(c);

(j) Permitted Asset Swaps;

(k) Dispositions by any Loan Party to the Borrower or any other Loan Party;

(l) Dispositions of cash and Cash Equivalents;

(m) Dispositions of Hydrocarbon Interests and Liquidations of Additional Hedging Agreements in any 12-month period not to exceed, in the aggregate, $50,000,000; provided (i) no Default or Event of Default shall have occurred and be continuing on the date thereof or would result therefrom, (ii) such Dispositions are for the fair market value thereof and at least 75% of the consideration received in such Disposition is cash and (iii) the Net Cash Proceeds therefrom are applied as required under Section 2.7(c) and at all times prior to such application such proceeds held in a deposit account subject to an Acceptable Security Interest; and

(n) Liquidations of Hedging Agreements in order to comply with the proviso set forth in Section 6.16(b).

6.6 Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Loan Party, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Loan Party, or enter into any derivatives or other transaction with any financial institution, commodities or stock exchange or clearinghouse obligating any Loan Party to make payments to any such counterparties as a result of any change in market value of any such Capital Stock, or make or offer to make any payment or prepayment of principal, premium (if any), interest, fees (including fees to obtain any waiver or consent) or other charges on, or effect any repurchase, redemption, purchase, retirement, defeasance, sinking fund or similar payment with respect to, any Indebtedness (other than the Obligations or loans and other obligations under the Senior Credit Facility) of any Loan Party (the payments or other transactions described in this Section 6.6 collectively, "***Restricted Payments***"), except that:

(a) any Restricted Subsidiary may make Restricted Payments to Borrower or any Subsidiary Guarantor;

(b) Borrower may make Restricted Payments in the form of Capital Stock (other than Disqualified Stock) of Borrower;

(c) Borrower may purchase common stock or common stock options issued by Borrower from present or former officers or employees of any Loan Party upon the death, disability or termination of employment of such officer or employee, provided that the aggregate amount of payments under this clause (c) subsequent to the Closing Date (net of any proceeds received by Borrower subsequent to the Closing Date in connection with resales of any common stock or common stock options so purchased) shall not exceed $5,000,000;

(d) Borrower or any Subsidiary Guarantor may make (i) any payment with respect to the Senior Credit Facility (subject to the Collateral Agency Agreement), (ii) any payment with respect to any Qualified Hedging Agreement (subject to the Collateral Agency Agreement), (iii) any required payment of interest and fees, and any required repurchase, repayment or redemption of principal, of Permitted Indebtedness at stated maturity and (iv) in the case of Term Refinancing Debt, to the extent such principal payment is required to be made by the terms thereof in connection with any Disposition of assets or "change of control" (after giving effect to any applicable subordination provisions); provided, in the case of this clause (iv), that (x) such repurchase, repayment or redemption shall be at a purchase price of not more than 101% of principal (in the event of any "change of control") and 100% of principal in all other cases, in each case, plus accrued and unpaid interest thereon, to the extent required by the terms of such Indebtedness, and (ii) Borrower has first complied and fully satisfied its obligations under Section 2.7, if any;

(e) Borrower or any Subsidiary Guarantor may prepay Capital Leases or purchase money financing comprising Permitted Indebtedness upon the sale or exchange of the equipment subject thereto; and

(f) Borrower may make quarterly dividends on its Capital Stock and employee stock option grants outstanding not to exceed $0.05 per share of common stock or employee stock option grant, respectively, of Borrower then outstanding (or $0.075 per share of common stock and employee stock option grant of Borrower then outstanding if the Total Net Leverage Ratio at such time is less than 0.75 to 1.00), such aggregate dividends not to exceed an aggregate $30,026,856 per fiscal year of Borrower (or $45,040,284 if the Total Net Leverage Ratio at such time is less than 0.75 to 1.00); provided that such per share amounts shall be adjusted for proportionately for stock dividends, stock splits, combinations, reclassifications and the like; and

(g) Borrower may from time to time repurchase shares of its Capital Stock for aggregate consideration during the term of this Agreement not to exceed (i) $50,000,000 (or up to $75,000,000 if the Total Net Leverage Ratio at such time, after giving effect to such repurchase, is less than 0.75 to 1.00) *less* (b) the aggregate amount of Investments made in reliance on Section 6.8(k) during the term of this Agreement;

provided, that (x) the Restricted Payments described in Sections 6.6(c), (d) (other than with respect to the Senior Credit Facility), (f) and (g) shall not be permitted if a Default or Event of Default shall have occurred and be continuing at the date of declaration or payment thereof or would result therefrom, and (y) no Restricted Payment may be made under Section 6.6(f) and 6.6(g) during any fiscal quarter until and unless Borrower delivers a Compliance Certificate to the Agents with respect to the immediately preceding fiscal quarter.

6.7 Certain Expenditures.

(a) Make expenditures for any operated drilling rigs or associated frac crews drilling for crude oil or natural gas other than:

(i) at all times prior to delivery of the Compliance Certificate with respect to the fiscal quarter of the Borrower ending December 31, 2023, for not more than three simultaneous rigs and associated frac crews drilling for crude oil or natural gas; and thereafter

(ii) for not more than two simultaneous rigs and associated frac crews drilling for crude oil or natural gas for so long as Total Net Leverage Ratio (based on LQA EBITDAX) as of the most recently delivered Compliance Certificate is equal to or greater than 1.00 to 1.00; or

(iii) for not more than three simultaneous rigs and associated frac crews drilling for crude oil or natural gas if Total Net Leverage Ratio (based on LQA EBITDAX) as of the most recently delivered Compliance Certificate is equal to or greater than 0.75 to 1.00 but less than 1.00 to 1.00;

provided, that:

(x) notwithstanding the foregoing, the Loan Parties may contract and make expenditures for one operated rig and associated frac crew drilling for crude oil or natural gas at any time solely for the purpose of drilling Obligation Wells and, if required by the lease, completing Obligation Wells;

(y) nothing in this clause (a) shall prohibit a short term (and not longer than 90 days) overlap of one operated drilling rig and associated frac crew being replaced with another drilling rig and associated frac crews; and

(z) if Borrower shall fail to deliver the financial statements as and when required under Section 5.1(a), or the accompanying Compliance Certificate when and as required pursuant to Section 5.3(a), until such time as Borrower provides such financial statements and Compliance Certificate Borrower may not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly make expenditures for more than two simultaneous drilling rigs and associated frac crews.

(b) Enter into any drilling or completion contract with a duration of more than six months;

(c) Drill or make any expenditure to drill any Project unless such Project is a Qualifying Project;

(d) Make less than 95% of all Producing Well Capex solely within the area specified on Exhibit H (the "***Primary Drilling Area***"); and

(e) Purchase or otherwise directly acquire (or indirectly acquire unless constituting an Investment permitted under Section 6.8) additional undeveloped leasehold interests other than the purchase or other acquisition of contiguous acreage or interests necessary to cover the lateral extension of any horizontal wells and for aggregate cash consideration not in excess of $20,000,000 in any fiscal year of Borrower

(all Capital Expenditures permitted pursuant to this Section 6.7, "***Permitted Capex***").

The foregoing notwithstanding, the restrictions of Sections 6.7(a), (d) and (e) shall not apply for so long as Total Net Leverage Ratio (based on LQA EBITDAX) as of the most recently delivered Compliance Certificate is equal to or less than 0.75 to 1:00.

6.8 Investments. Make any Investment in any other Person, except:

(a) extensions of trade credit and advances to non-operators under operating agreements in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Section 6.2(b) or Section 6.2(d);

(d) Investments by Borrower or any of its Restricted Subsidiaries in Borrower or any Person that is or becomes is a Wholly Owned Subsidiary Guarantor;

(e) Hedging Agreements permitted by Section 6.16;

(f) Investments constituting Permitted Capex;

(g) Investments in Unrestricted Subsidiaries with an amount equal to the Net Cash Proceeds received by Borrower from one or more issuances of Capital Stock of Borrower made at any time after the Closing Date with such Investment occurring within 90 days after such sale of Capital Stock;

(h) Investments received by Borrower or any Restricted Subsidiary in connection with workouts with, or bankruptcy, insolvency or other similar proceedings with respect to, customers, working interest owners, other industry partners or any other Person; any Investment by Borrower or any Restricted Subsidiary of Borrower in a Person permitted under this Agreement, if as a result of such Investment such Person becomes a Restricted Subsidiary of Borrower or such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its properties or assets to, or is liquidated into, Borrower or a Restricted Subsidiary of Borrower;

(i) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale permitted under Sections 6.5(j) or (m);

(j) any acquisition of assets or Capital Stock of Borrower solely in exchange for the issuance of Capital Stock (other than Disqualified Stock) of Borrower; and

(k) Investments by Borrower or any of its Restricted Subsidiaries in an aggregate amount (valued at cost) not to exceed $50,000,000 during the life of this Agreement (or $75,000,000 if Total Net Leverage Ratio as of the most recently delivered Compliance Certificate is less than 0.75 to 1.00) less the aggregate amount paid to the date of such Investment in reliance on Section 6.6(g) during the term of this Agreement.

6.9 Transactions with Affiliates.

(a) Enter into any transaction, including, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than any Loan Party) unless such transaction (an "***Affiliate Transaction***") is (i) otherwise permitted under this Agreement (provided that no Loan Party shall sell or Dispose of Property to a non-Loan Party that is an Affiliate), (ii) in the ordinary course of business of the Loan Party that is party to such transaction and (iii) upon fair and reasonable terms no less favorable to such Loan Party than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

(b) The foregoing notwithstanding, each of the following will not be deemed to be an Affiliate Transaction and, therefore, will not be subject to the provisions of Section 6.9(a) above:

(i) any employment or consulting agreement entered into by Borrower or any of the Restricted Subsidiaries in the ordinary course of business and consistent with the past practice of Borrower or such Restricted Subsidiary;

(ii) transactions between or among Borrower and/or the Restricted Subsidiaries;

(iii) payment of reasonable and customary compensation or fees to any directors, or the execution of customary expense reimbursement, indemnification or similar arrangements with any directors and officers, of Borrower or the Restricted Subsidiaries in the ordinary course of business;

(iv) sales or issuances of Capital Stock (other than Disqualified Stock) of Borrower to Affiliates, directors, officers, employees or consultants of Borrower (other than Subsidiaries of Borrower);

(v) Investments permitted under Section 6.8 (other than clauses (a), (c), (f), (g) and (j));

(vi) Restricted Payments permitted under Section 6.6 (other than clauses (f) and (g)).

6.10 Sales and Leasebacks. Enter into any sale and leaseback transaction.

6.11 Changes in Fiscal Periods. Permit the fiscal year of any Loan Party to end on a day other than December 31 or change the method of determining its fiscal year for any Loan Party.

6.12 Negative Pledge Clauses. Enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Loan Party to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations or, in the case of any Guarantor, its obligations under the Guarantee and Security Agreement, other than (a) this Agreement, the Security Documents, and documentation governing a Senior Credit Facility and/or the Collateral Agency Agreement, and (b) in the case of Borrower or any Subsidiary Guarantor any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby).

6.13 Restrictions on Subsidiary Distributions. Enter into or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to (a) make Restricted Payments in respect of any Capital Stock of such Restricted Subsidiary held by, or pay or subordinate any Indebtedness owed to, any Loan Party, (b) make Investments in any Loan Party or (c) transfer any of its assets to any Loan Party, except for such encumbrances or restrictions existing under or by reason of (i) any restrictions existing under the Loan Documents or the Senior Credit Facility and (ii) any restrictions with respect to a Restricted Subsidiary imposed pursuant to an agreement that has been entered into in connection with the Disposition of all or substantially all of the Capital Stock or assets of such Restricted Subsidiary.

6.14 Lines of Business. Enter into any business, either directly or through any Restricted Subsidiary, except for the development, production and sale of Hydrocarbons and activities reasonably incidental or relating thereto.

6.15 ERISA Plans. No Loan Party shall adopt or otherwise maintain any ERISA Plan nor become a "commonly controlled entity" within any other Person within the meaning of Section 4001 of ERISA or part of a group that is treated as a single employer under Section 414 of the Code.

6.16 Hedging Agreements. Enter into, or suffer to exist, any Hedging Agreement:

(a) other than (i) Qualified Hedging Agreements required to be entered into pursuant to Section 5.11 and (ii) Additional Hedging Agreements entered into in on terms for the purpose and effect of fixing prices on oil or gas expected to be produced by Loan Parties and, in the case of (i) and (ii), in the ordinary course with the purpose and effect of fixing prices on oil or gas expected to be produced by Loan Parties and not for speculative purposes; or

(b) for volumes (when aggregated with the notional volumes under all other Hedging Agreements then in effect) that exceed, as of the date such Hedging Agreement is executed, 95% of Borrower's and its Restricted Subsidiaries' aggregate Projected Oil Production anticipated to be sold in the ordinary course for each month during the 24-month period immediately following the Closing Date; provided, that if the aggregate volume of all such Hedging Agreements in respect of commodities for which settlement payments were calculated during any fiscal quarter exceeds 95% of actual production of crude oil in such fiscal quarter (unless such over-production is the temporary result of any disruption in production, transportation or processing not lasting more than 60 days), then the Borrower shall as soon as possible (but in any event within 10 Business Days) following the last day of such fiscal quarter or resolution of such disruption event (or such later time to which Collateral Agent may agree in its sole discretion) terminate, create offsetting positions, allocate volumes to other production the Borrower or any Restricted Subsidiary is marketing, or otherwise unwind existing Hedging Agreements such that, at such time, future hedging volumes will not exceed 95% of Borrower's and its Restricted Subsidiaries' aggregate Projected Oil Production for the then-current and any succeeding fiscal quarter.

6.17 New Subsidiaries. Acquire, form, incorporate or organize any Subsidiary or permit to exist any Subsidiary (i) having any Capital Stock that is not wholly owned by Borrower directly or through other Wholly Owned Subsidiaries or (ii) that is not a Guarantor or Unrestricted Subsidiary.

6.18 Use of Proceeds. Use or permit the use of all or any portion of the proceeds of the Loans for any purpose other than for the Refinancing, out of pocket fees and expenses incurred therewith and hereunder and to fund the operation of the businesses of the Loan Parties.

6.19 Pooling and Unitization. Voluntarily pool or unitize all or any material part of their Oil and Gas Properties where the pooling or unitization would result in the diminution of any Loan Party's net revenue interest in production from the pooled or unitized lands, except where any such pooling or unitization would increase the PV 10 Value of the associated Oil and Gas Property compared to the pre-unitized PV 10 Value unless the failure to pool or unitize such Oil and Gas Properties would not be consistent with prudent industry practices.

6.20 New Bank Accounts. Open or otherwise establish, or deposit or otherwise transfer funds into, any bank account (other than the bank accounts listed on Schedule 3.28 or any Excluded Accounts) or securities account in the name or otherwise for the benefit of Borrower or any Restricted Subsidiary unless Collateral Agent shall have received a Control Agreement executed and delivered by Borrower and the bank or other financial institution at which such account is maintained.

6.21 [**Reserved**].

6.22 Gas Imbalances, Take-or-Pay or Other Prepayments.

Allow Gas Imbalances, take-or-pay or other prepayments with respect to the Oil and Gas Properties of Borrower or any Restricted Subsidiary which would require Borrower or such Restricted Subsidiary to deliver their respective Hydrocarbons produced on a monthly basis from such Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor other than Gas Imbalances, take-or-pay or other prepayments incurred in the ordinary course of business and which Gas Imbalances, take-or-pay, or other prepayments and balancing rights, in the aggregate, do not result in Borrower or such Restricted Subsidiary having net aggregate liability at any time in excess of an amount equal to 2.00% of the Oil and Gas Properties that are designated Proved Developed Producing Reserves in the most recently delivered Reserve Report.

6.23 Constituent Documents. Amend, modify or supplement (or vote to enable, or take any other action to permit, such amendment, modification or supplement of) any Constituent Documents of the Loan Parties or such Restricted Subsidiaries in any manner materially adverse to the interests of the Agents and the Lenders.

6.24 Post-Closing Deliveries. Fail to (a) deliver to Administrative Agent or Collateral Agent, as the case may be, any of the agreements, documents, instruments or certificates described on Schedule 6.24, in each case, in form and substance reasonably satisfactory to Administrative Agent or Collateral Agent or (b) perform any of the actions described on Schedule 6.24 in a manner reasonably satisfactory to Administrative Agent or Collateral Agent, in the case of each of clauses (a) and (b), unless otherwise agreed by Administrative Agent or Collateral Agent, within the time periods set forth opposite each such item or action on such Schedule 6.24.

ARTICLE VII
EVENTS OF DEFAULT

7.1 Events of Default. If any of the following events shall occur and be continuing:

(a) Borrower shall fail to pay when due and payable or when declared due and payable (in each case whether at the stated maturity, by acceleration or otherwise), including, pursuant to Section 2.7, all or any portion of the Obligations (whether of principal, interest, fees and charges due to the Lenders or other amounts constituting Obligations); or

(b) Any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate, document or financial or other statement furnished by it at any time under or in connection with this Agreement or any such other Loan Document shall prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall default in the observance or performance of any agreement contained in Sections 5.5(a) (with respect to Borrower only), 5.6(c), 5.8, 5.9(a), 5.11 or 5.14, Article VI or in Article 5 of the Guarantee and Security Agreement; or an "Event of Default" under and as defined in any Mortgage shall have occurred and be continuing; or

(d) Any Loan Party shall default in the observance or performance of (i) Section 5.1(a), 5.1(b) or 5.3(a) and such default shall continue unremedied for a period of 10 Business Days or (ii) any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section 7.1), and such default shall continue unremedied for a period of 30 days; or

(e) Any Loan Party shall (i) default in making any payment of any principal or interest of any Indebtedness (including, any Guarantee Obligation, Senior Credit Facility or Qualified Hedging Agreement, but excluding the Loans and other Obligations) on the scheduled or original due date with respect thereto; or (ii) default in the observance or performance of any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any termination event where the Loan Party is the "defaulting party" or similar action shall occur or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or beneficiary of such Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or contractual term or to become subject to a mandatory offer to purchase by the obligor thereunder or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable; provided that a default, event or condition described in clause (i) or (ii) of this paragraph (e) shall not at any time constitute an Event of Default unless, at such time, one or more defaults, events or conditions of the type described in clauses (i) and (ii) of this paragraph (e) shall have occurred and be continuing with respect to Indebtedness the outstanding principal amount of which exceeds in the aggregate $25,000,000; or

(f) (i) Any Loan Party shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or such Loan Party shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Loan Party any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against any Loan Party any case, proceeding or other action seeking issuance of a warrant of attachment, execution, restraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Loan Party shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Loan Party shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) One or more judgments or decrees shall be entered against any Loan Party involving for the Loan Parties taken as a whole a liability (not paid or fully covered by insurance as to which the relevant insurance company has acknowledged coverage) of $25,000,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(h) Any of the Security Documents shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 9.16), to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; as a result of action taken or omitted to be taken by any Loan Party, CAA Collateral Agent shall fail to have an Acceptable Security Interest in the Collateral, which failure is not remedied within five days after notice thereof to Borrower from Collateral Agent; or any provision of any Loan Document shall at any time for any reason be declared to be null and void, or the validity or enforceability thereof shall be contested by any Loan Party, or a proceeding shall be commenced by any Loan Party or by any Governmental Authority having jurisdiction over any Loan Party, seeking to establish the invalidity or unenforceability thereof, or any Loan Party shall deny that any Loan Party has any liability or obligation purported to be created under any Loan Document; or

(i) The guarantee contained in Article 2 of the Guarantee and Security Agreement shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 9.16), to be in full force and effect or any Loan Party or any Affiliate of any Loan Party shall so assert; or

(j) Any Change of Control shall occur; or

then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above with respect to Borrower, automatically the Commitments shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: with the consent of the Required Lenders, Collateral Agent may, or upon the request of the Required Lenders, Collateral Agent shall, by notice to Borrower, declare the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents to be due and payable forthwith, whereupon the same shall immediately become due and payable.

Without limiting the generality of the foregoing, it is understood and agreed that if the Obligations are accelerated or otherwise become due prior to the Maturity Date, in each case, in respect of any Event of Default (including, but not limited to, upon the occurrence of a bankruptcy or insolvency event (including the acceleration of claims by operation of law)), the Make-Whole Amount or Premium with respect to an optional prepayment of the Loans will also be due and payable as though the Loans were optionally prepaid and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof. Any premium payable above shall be presumed to be the liquidated damages sustained by each Lender as the result of the early prepayment and Borrower agrees that it is reasonable under the circumstances currently existing. The premium shall also be payable in the event the Loans are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. BORROWER EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. Borrower expressly agrees (to the fullest extent it may lawfully do so) that: (A) the premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the premium; and (D) Borrower shall be estopped hereafter from claiming differently than as agreed to in this paragraph. Borrower expressly acknowledges that its agreement to pay the premium to the Lenders as herein described is a material inducement to Lenders to make the Loans.

7.2 Remedies. Upon the occurrence and during the continuance of an Event of Default, subject to the Collateral Agency Agreement, Collateral Agent and the Lenders shall be entitled to exercise any and all remedies available under the Security Documents or otherwise available under applicable law or otherwise.

ARTICLE VIII
THE AGENTS

8.1 Appointment. Each Lender hereby irrevocably designates and appoints each of Administrative Agent and Collateral Agent as the administrative agent and the collateral agent, respectively, of such Lender under this Agreement and the other Loan Documents, and each Lender (i) irrevocably authorizes Administrative Agent and Collateral Agent, in each of their respective capacities, to take action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to Administrative Agent and Collateral Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto, (ii) approves the terms and conditions of the Collateral Agency Agreement and any other intercreditor agreement and irrevocably authorizes Administrative Agent and Collateral Agent to (A) enter into the Collateral Agency Agreement (and any other intercreditor agreement) and amendments thereto from time to time and (B) to exercise all of Administrative Agent's and/or Collateral Agent's rights and to comply with all of its obligations under the Collateral Agency Agreement or any other intercreditor agreement, and to take all other actions necessary to carry out the provisions and intent thereof, (iii) agrees that it and its successors and assigns will be bound by and will take no actions contrary to the provisions of the Collateral Agency Agreement (or any other intercreditor agreement) as if it was a signatory thereto, and (iv) agrees that no Secured Party shall have any right of action whatsoever against Administrative Agent or Collateral Agent as a result of any action taken by Administrative Agent or Collateral Agent, as applicable, pursuant to this Section 8.1 or in accordance with the terms of the Collateral Agency Agreement (or any other intercreditor agreement). Notwithstanding any provision to the contrary elsewhere in this Agreement, neither Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Administrative Agent and Collateral Agent. The provisions of this Article VIII are solely for the benefit of Administrative Agent, Collateral Agent and Lenders, and neither 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 Administrative Agent and Collateral 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. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the guarantees of the Obligations provided under the Loan Documents, to have agreed to the provisions of this Article VIII.

8.2 Delegation of Duties. Each Agent may execute any of its respective duties under this Agreement and the other Loan Documents by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The exculpatory provisions of this Article VIII shall apply to any such agent or attorneys in fact and to the officers, directors, employees, agents, attorneys in fact or affiliates of Agents and any such agent or attorneys in fact, and shall apply to their respective activities in connection with the syndication of the facilities as well as activities as Agent. Neither Agent shall be responsible for the negligence or misconduct of any agents or attorneys in fact except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such agents or attorneys in fact.

8.3 Exculpatory Provisions.

(a) Neither Agent nor any of their respective officers, directors, employees, agents, attorneys in fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person (INCLUDING SUCH PERSON'S OWN NEGLIGENCE) under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted solely and proximately from its or such Person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by Administrative Agent or Collateral Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder. Neither Agent nor any of their respective officers, directors, employees, agents, attorneys in fact or affiliates shall 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 IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent and shall have no obligation to any Lender to inspect the properties, books or records of any Loan Party. Neither Agent shall be required to take any action that, in their respective opinions or upon the advice of its counsel, may expose such 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.

(b) 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, Administrative Agent:

(i) shall not be subject to any agency, trust, fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii) 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 Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents) or is required to exercise as directed in writing by any other party to any intercreditor agreement, as applicable;

(iii) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Borrower or any other Loan Party or any of their respective Affiliates that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity;

(iv) shall be fully justified in failing or refusing to take any action hereunder or under any other Loan Document unless it shall first be indemnified to its satisfaction by Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action; and

(v) does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "Term SOFR", "BSBY", or with respect to any Benchmark Replacement or other rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate.

8.4 Reliance by Agents. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, facsimile, email, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, counsel to the Loan Parties), independent accountants, reserve engineers and other experts selected by either Agent. Each Agent may also 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. Each Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless such Note shall have been transferred in accordance with Section 9.7 and all actions required by Section 9.7 in connection with such transfer shall have been taken. Administrative Agent and Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement) as it deems appropriate or it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Administrative Agent and Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

8.5 Notice of Default. Administrative Agent and Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder (except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders) unless Administrative Agent or Collateral Agent, as applicable, shall have received notice from a Lender or Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Administrative Agent or Collateral Agent shall receive such a notice, Administrative Agent or Collateral Agent, as applicable, shall give notice thereof to the Lenders. Administrative Agent and Collateral Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement); provided that unless and until Administrative Agent or Collateral Agent, as applicable, shall have received such directions, Administrative Agent and Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

8.6 Non-Reliance on Agents and Other Lenders. Each Lender expressly acknowledges that none of Administrative Agent, Collateral Agent or any of their respective officers, directors, employees, agents, attorneys and other advisors, partners, attorneys in fact or affiliates have made any representations or warranties to it and that no act by Administrative Agent or Collateral Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by Administrative Agent or Collateral Agent to any Lender. Each Lender represents to Administrative Agent and Collateral Agent that it has, independently and without reliance upon Administrative Agent, Collateral Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon Administrative Agent, Collateral Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by Administrative Agent or Collateral Agent hereunder, Administrative Agent and Collateral Agent, as applicable, shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of Administrative Agent, Collateral Agent or any of their respective officers, directors, employees, agents, attorneys and other advisors, partners, attorneys in fact or affiliates.

8.7 Indemnification. THE LENDERS SEVERALLY AGREE TO INDEMNIFY ADMINISTRATIVE AGENT, COLLATERAL AGENT AND EACH AFFILIATE THEREOF AND THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS (TO THE EXTENT NOT REIMBURSED BY ANY LOAN PARTY AND WITHOUT LIMITING THE OBLIGATION OF ANY LOAN PARTY TO DO SO), RATABLY ACCORDING TO THEIR RESPECTIVE AGGREGATE EXPOSURE PERCENTAGES IN EFFECT ON THE DATE ON WHICH INDEMNIFICATION IS SOUGHT UNDER THIS SECTION 8.7 (OR, IF INDEMNIFICATION IS SOUGHT AFTER THE DATE UPON WHICH THE COMMITMENTS SHALL HAVE TERMINATED AND THE LOANS SHALL HAVE BEEN PAID IN FULL, RATABLY IN ACCORDANCE WITH SUCH AGGREGATE EXPOSURE PERCENTAGES IMMEDIATELY PRIOR TO SUCH DATE), FOR, AND TO SAVE ADMINISTRATIVE AGENT AND COLLATERAL AGENT HARMLESS FROM AND AGAINST, ANY AND ALL SO UNREIMBURSED LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS OF ANY KIND WHATSOEVER THAT MAY AT ANY TIME (INCLUDING, AT ANY TIME FOLLOWING THE PAYMENT OF THE LOANS) BE IMPOSED ON, INCURRED BY OR ASSERTED AGAINST ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN ANY WAY RELATING TO OR ARISING OUT OF, THE COMMITMENTS, THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS OR ANY DOCUMENTS CONTEMPLATED BY OR REFERRED TO HEREIN OR THEREIN OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY OR ANY ACTION TAKEN OR OMITTED BY ADMINISTRATIVE AGENT OR COLLATERAL AGENT UNDER OR IN CONNECTION WITH ANY OF THE FOREGOING (INCLUDING ADMINISTRATIVE AGENT'S OR COLLATERAL AGENT'S OWN NEGLIGENCE); PROVIDED THAT SUCH UNREIMBURSED LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS, AS THE CASE MAY BE, WERE INCURRED BY OR ASSERTED AGAINST AGENT AND ITS AFFILIATES ACTING FOR AGENT IN CONNECTION WITH SUCH CAPACITY; PROVIDED, FURTHER, THAT NO LENDER SHALL BE LIABLE FOR THE PAYMENT OF ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES OR DISBURSEMENTS THAT ARE FOUND BY A FINAL AND NONAPPEALABLE DECISION OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED SOLELY AND PROXIMATELY FROM ADMINISTRATIVE AGENT'S OR COLLATERAL AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AS APPLICABLE. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE ADMINISTRATIVE AGENT AND COLLATERAL AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE OF ANY OUT OF POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY ADMINISTRATIVE AGENT OR COLLATERAL AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT, OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, TO THE EXTENT THAT ADMINISTRATIVE AGENT OR COLLATERAL AGENT IS NOT REIMBURSED FOR SUCH BY BORROWER. The agreements in this Section 8.7 shall survive the payment of the Loans and all other amounts payable hereunder.

8.8 Administrative Agent and Collateral Agent in its Individual Capacity. Administrative Agent, Collateral Agent and their respective affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though Administrative Agent and Collateral Agent were not Administrative Agent and Collateral Agent. With respect to its Loans made or renewed by it, Administrative Agent and Collateral Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Administrative Agent or Collateral Agent, and the terms "Lender" and "Lenders" shall include Administrative Agent and Collateral Agent in their individual capacities. 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, Borrower or any other Loan Party or any Subsidiary or other Affiliate thereof as if such Person were not Administrative Agent or Collateral Agent hereunder and without any duty to account therefor to Lenders or to provide notice to or obtain the consent of the Lenders with respect thereto.

8.9 Successor Administrative Agent and Collateral Agent. Administrative Agent or Collateral Agent may resign as Administrative Agent or Collateral Agent, as applicable, upon 30 days' (or five days' during the continuance of an Event of Default) written notice to the Lenders and Borrower and Borrower may remove Administrative Agent from such respective roles upon 30 days' written notice to the Lenders. If (a) Administrative Agent or Collateral Agent shall resign as Administrative Agent or Collateral Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint a successor agent for the Lenders (which Person shall be an Acceptable Successor Agent), subject to the prior consent of Borrower (such consent not to be unreasonably withheld, conditioned or delayed) or (b) Administrative Agent shall be removed by Borrower as Administrative Agent under this Agreement and the other Loan Document, then Borrower shall appoint a successor agent for the Lenders (which Person shall be an Acceptable Successor Agent), subject to the prior consent of the Required Lenders (such consent not to be unreasonably withheld, conditioned or delayed). In each case, such successor agent shall succeed to the rights, powers and duties of Administrative Agent or Collateral Agent, as applicable, and the term "Administrative Agent" or "Collateral Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's or Collateral Agent's rights, powers and duties as Administrative Agent or Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent, former Collateral Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent or Collateral Agent by the date that is 30 days (or five days during the continuance of an Event of Default) following a retiring Administrative Agent's or Collateral Agent's notice of resignation or Borrower's notice of removal (the "***Resignation Effective Date***"), the retiring Administrative Agent's or Collateral Agent's resignation or removal shall nevertheless thereupon become effective, and the Lenders shall assume and perform all of the duties of Administrative Agent or Collateral Agent hereunder until such time, if any, as the Required Lenders appoint a successor agent as provided for above. After the retiring Administrative Agent's or Collateral Agent's resignation as Administrative Agent or Collateral Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent or Collateral Agent under this Agreement and the other Loan Documents. With effect from the Resignation Effective Date (i) the retiring Administrative Agent or Collateral Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by Collateral Agent on behalf of Secured Parties under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such Collateral until such time as a successor Collateral Agent is appointed or a different Person is appointed to serve as collateral agent pursuant to the terms of the Collateral Agency Agreement) and (ii) except for any indemnity, fee or expense payments owed to the retiring Administrative Agent or Collateral Agent, all payments, communications and determinations provided to be made by, to or through Administrative Agent and Collateral Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent or Collateral Agent as provided for above. Upon the acceptance of a successor's appointment as Administrative Agent or Collateral Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Administrative Agent or Collateral Agent (other than any rights to indemnity payments owed to the retiring Administrative Agent and Collateral Agent), and the retiring Administrative Agent or Collateral Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. After the retiring Administrative Agent's or Collateral Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article VIII, Section 9.5 and Section 9.6 shall continue in effect for the benefit of such retiring Administrative Agent or Collateral Agent, their respective agents and their respective officers, directors, employees, agents, attorneys in fact or affiliates in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent or Collateral Agent was acting as Administrative Agent or Collateral Agent.

8.10 Collateral Matters; Security Documents.

(a) Each of the Lenders hereby authorizes and instructs Collateral Agent to enter into the Collateral Agency Agreement on the Closing Date, and agrees to be bound by all of the terms and provisions of the Collateral Agency Agreement.

(b) Collateral Agent is hereby irrevocably authorized by each of the Lenders to effect any release of Liens or guarantee obligations contemplated by Section 9.16.

(c) Collateral Agent is authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take or direct CAA Collateral Agent to take any actions with respect to any Collateral or Security Documents which may be necessary to perfect and maintain Acceptable Security Interests in and Liens upon the Collateral granted pursuant to the Security Documents. Each of Administrative Agent and Collateral Agent is further authorized on behalf of the Secured Parties, without the necessity of any notice to or further consent from the Secured Parties, from time to time, to take or direct CAA Collateral Agent to take any action (other than enforcement actions requiring the consent of, or request by, the Required Lenders as set forth in Section 7.1 above) in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Secured Parties under the Loan Documents or applicable legal requirements. By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party not party hereto hereby agrees to the terms of this Section 8.10(c).

(d) Notwithstanding anything contained in any of the Loan Documents to the contrary, Borrower, Administrative Agent, Collateral Agent and each other Secured Party hereby agree that no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any Guarantee Obligations, it being understood and agreed that all powers, rights and remedies hereunder and under the Security Documents may be exercised solely by CAA Collateral Agent (at the direction of Collateral Agent) on behalf of the Secured Parties in accordance with the terms hereof. By accepting the benefit of the Liens granted pursuant to the Security Documents, each Secured Party not party hereto hereby agrees to the terms of this Section 8.10(d).

(e) Each of the Lenders hereby authorizes and instructs Collateral Agent to enter into the Collateral Agency Agreement on the Closing Date and to exercise all of Collateral Agent's rights and to comply with all of its obligations under the Collateral Agency Agreement and to take all other actions necessary to carry out the provisions and intent thereof, and agrees to be bound by all of the terms and provisions of the Collateral Agency Agreement, will take no actions contrary to the provisions of Collateral Agency Agreement as if it was a signatory thereto and consents to the treatment of Liens and payments to be provided for under the Collateral Agency Agreement.

(f) Collateral Agent may, without any further consent of any Lender, enter into a supplement or amendment to, or an amendment and restatement or replacement of, the Collateral Agency Agreement with the collateral agent or other representatives of holders of Indebtedness permitted pursuant to Sections 6.2(b) and (e). Collateral Agent may rely exclusively on a certificate of a Responsible Officer of Borrower as to whether any such other Liens are permitted hereunder. Any supplement or amendment to, or amendment and restatement or replacement of, the Collateral Agency Agreement entered into by Collateral Agent in accordance with the terms of this Agreement shall be binding on the Secured Parties.

8.11 Erroneous Payments.

(a) Each Lender (and each Participant of any of the foregoing, by its acceptance of a participation) hereby acknowledges and severally agrees that if Administrative Agent or Collateral Agent notifies such Lender that Administrative Agent or Collateral Agent has determined in its sole discretion that any funds (or any portion thereof) received by such Lender (any of the foregoing, a "***Payment Recipient***") from Administrative Agent or Collateral Agent (or any of their Affiliates) were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Payment Recipient) (whether as a payment, prepayment or repayment of principal, interest, fees or otherwise; individually and collectively, a "***Payment***") and demands in writing the return of such Payment (provided that without limiting any other rights or remedies (whether at law or in equity), Administrative Agent may not make any such demand under this sentence with respect to a Payment unless such demand is made within 180 days after the date of receipt of such Payment by the applicable Payment Recipient), such Payment Recipient shall promptly, but in no event later than two Business Days thereafter, return to Administrative Agent or Collateral Agent (as applicable) the amount of any such Payment as to which such a demand was made. A notice of Administrative Agent or Collateral Agent (as applicable) to any Payment Recipient under this Section 8.11(a) shall be conclusive, absent manifest error.

(b) Without limitation of clause (a) above, each Payment Recipient further acknowledges and severally agrees that if such Payment Recipient receives a Payment from Administrative Agent or Collateral Agent (or any of their Affiliates) (x) that is in an amount, or on a date different from the amount and/or date specified in a notice of payment sent by Administrative Agent or Collateral Agent (or any of their Affiliates) with respect to such Payment (a "***Payment Notice***"), (y) that was not preceded or accompanied by a Payment Notice, or (z) that such Payment Recipient otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), in each case, it understands and agrees at the time of receipt of such Payment that an error has been made (and that it is deemed to have knowledge of such error) with respect to such Payment. Each Payment Recipient agrees that, in each such case, it shall use commercially reasonable efforts to promptly notify Administrative Agent or Collateral Agent of such occurrence and, upon demand from Administrative Agent or Collateral Agent, it shall promptly, but in no event later than two Business Days thereafter, return to Administrative Agent or Collateral Agent, as applicable, the amount of any such Payment (or portion thereof) as to which such a demand was made.

(c) Any Payment required to be returned by a Payment Recipient under this Section shall be 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 Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to Administrative Agent or Collateral Agent, as applicable, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent or Collateral Agent, as applicable, in accordance with banking industry rules on interbank compensation from time to time in effect. Each Payment Recipient hereby agrees that it shall not assert and, to the fullest extent permitted by applicable law, hereby waives, any right to retain such Payment, and any claim, counterclaim, defense or right of set-off or recoupment or similar right to any demand by Administrative Agent or Collateral Agent, as applicable, for the return of any Payment received, including without limitation any defense based on "discharge for value" or any similar doctrine.

(d) Borrower and each other Restricted Subsidiary hereby agrees that (x) in the event an erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Payment (or portion thereof) for any reason, Administrative Agent or Collateral Agent, as applicable, shall be subrogated to all the rights of such Payment Recipient with respect to such amount and (y) an erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by Borrower or any other Restricted Subsidiary except, in each case, to the extent such erroneous Payment is, and with respect to the amount of such erroneous Payment that is, comprised of funds of Borrower or any other Restricted Subsidiary.

(e) Each Lender or Secured Party hereby authorizes Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or Secured Party under any Loan Document, or otherwise payable or distributable by Administrative Agent to such Lender or Secured Party from any source, against any amount due to Administrative Agent under this Section 8.11 or under the indemnification provisions of this Agreement.

(f) Each party's obligations, agreements and waivers under this Section 8.11 shall survive the resignation or replacement of Administrative Agent or Collateral Agent, any transfer of rights or obligations by, or the replacement of, a Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

8.12 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Administrative Agent shall have made any demand on Borrower or any other Loan Party) shall be entitled and empowered (but not obligated) 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 and all other Obligations under the Loan Documents that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of Lenders, Collateral Agent and Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders, Collateral Agent and Administrative Agent and their respective agents and counsel and all other amounts due to Lenders, Collateral Agent and Administrative Agent under Section 9.5 or Section 9.6) 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 to make such payments to Administrative Agent and, in the event that Administrative Agent shall consent to the making of such payments directly to Lenders, to pay to Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Administrative Agent and its agents and counsel, and any other amounts due Administrative Agent under Section 9.5 or Section 9.6.

ARTICLE IX
MISCELLANEOUS

9.1 Amendments and Waivers. Except as set forth in Section 2.16, neither this Agreement nor any other Loan Document nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 9.1. The Required Lenders and each Loan Party that is party to the relevant Loan Document may, or (with the written consent of the Required Lenders) Administrative Agent and/or Collateral Agent and each Loan Party that is party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents (including amendments and restatements hereof or thereof) for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as may be specified in the instrument of waiver, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, that no such waiver and no such amendment, supplement or modification shall:

(i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder or extend or postpone the scheduled date of any payment hereunder or under any other Loan Document, or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the consent of each Lender directly affected thereby;

(ii) amend, modify or waive any provision of this Section 9.1 or reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, or (except as specified in Section 9.16) release all or substantially all of the Collateral or release all or substantially all of the Guarantors from their Guarantee Obligations under the Guarantee and Security Agreement, in each case without the consent of all Lenders;

(iii) amend, modify or waive any provision of Article VIII or any other provision affecting the rights, duties and obligations of Administrative Agent or Collateral Agent without the consent of Administrative Agent or Collateral Agent, as applicable;

(iv) amend, modify or waive the *pro rata* provisions of Section 2.9 or any analogous provision in any Security Document without the consent of each Lender directly affected thereby;

(v) impose restrictions on assignments and participations that are more restrictive than, or additional to, those set forth in Section 9.7 without the consent of all Lenders; or

(vi) contractually subordinate the Liens on all or substantially all of the Collateral securing any of the Obligations to the Liens securing any other Indebtedness for borrowed money or contractually subordinate the right of payment of the Obligations to the right of payment of any other Indebtedness, except in connection with a debtor-in-possession financing or use of Collateral in an insolvency proceeding, without the consent of each Lender directly affected thereby;

(vii) increase the aggregate principal amount of Loans that may be incurred under this Agreement or which otherwise may be incurred by any Loan Party that is *pari passu* in Lien priority with the Liens in Collateral securing the Term Obligations or in respect of the priority in application of proceeds from Collateral set forth in the Collateral Agency Agreement without the consent of Lenders holding not less than 75% of the aggregate principal amount of Loans then outstanding;

(viii) permit the incurrence of, or to remain outstanding at any time, Indebtedness under the Senior Credit Facility in excess of $100,000,000 in aggregate principal amount without the consent of all Lenders; and

(ix) amend the definition of "Senior Credit Facility" without the consent of Lenders holding not less than 75% of the aggregate principal amount of Loans then outstanding.

Any such waiver, amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, Administrative Agent, Collateral Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders, Administrative Agent and Collateral Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any such waiver, amendment, supplement or modification shall be effected by a written instrument signed by the parties required to sign pursuant to the foregoing provisions of this Section 9.1; provided, that delivery of an executed signature page of any such instrument by facsimile transmission or in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart thereof.

Notwithstanding anything to the contrary herein, 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 materially and adversely affects any Defaulting Lender (if such Lender were not a Defaulting Lender) to a greater extent than other affected Lenders shall require the consent of such Defaulting Lender.

Notwithstanding anything to the contrary in this Section 9.1,

(a) no Lender consent is required to effect a supplement or amendment to, or an amendment and restatement or replacement of, the Collateral Agency Agreement or arrangement permitted under this Agreement that is for the purpose of adding (i) the collateral agent or other representatives of holders of Indebtedness permitted pursuant to Sections 6.2(b) or (e) that is intended to be secured on *pari passu* basis with the Liens securing the Obligations and constitute "First-Out Debt" pursuant to the terms of the Collateral Agency Agreement (it being understood that any such amendment or supplement, amendment and restatement or replacement may make such other changes to the Collateral Agency Agreement as, in the good faith determination of the Collateral Agent, are required to effectuate the foregoing and provided that such other changes are not adverse, in any material respect, to the interests of the Lenders (as determined by Collateral Agent)); provided, that no such agreement shall amend, modify or otherwise affect the rights or duties of Administrative Agent or Collateral Agent hereunder or under any other Loan Document without the prior written consent of Administrative Agent or Collateral Agent, as applicable; and

(b) this Agreement and any other Loan Document may be amended solely with the consent of the Administrative Agent and/or the Collateral Agent (if applicable) and the Borrower without the need to obtain the consent of any other Lender if such amendment is delivered in order to (A) correct or cure ambiguities, errors, omissions or defects, (B) effect administrative changes of a technical or immaterial nature, (C) fix incorrect cross references or similar inaccuracies in this Agreement or the applicable Loan Document, (D) add any financial covenant or other terms for the benefit of all Lenders, (E) comply with local Law or advice of local counsel, (F) implement amendments permitted by the Collateral Agency Agreement, this Agreement or the other Security Documents that do not by the terms of the Collateral Agency Agreement or other Security Documents require lender consent, and (G) cause the Security Documents or other document to be consistent with this Agreement and the other Loan Documents; provided, in each case of clauses (A) and (B), such amendment shall become effective without any further action or the consent of the Required Lenders if the same is not objected to in writing by the Required Lenders within five Business Days following receipt of notice thereof.

9.2 Notices; Notices Generally.

(a) All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile notice, when received, addressed (x) in the case of Borrower, Administrative Agent or Collateral Agent, as follows and (y) in the case of the Lenders, as set forth in an administrative questionnaire delivered to Administrative Agent or, in the case of a Lender which becomes a party to this Agreement pursuant to an Assignment and Assumption, in such Assignment and Assumption or (z) in the case of any party, to such other address as such party may hereafter notify to the other parties hereto:

Borrower: HighPeak Energy, Inc.
421 W. 3rd Street, Suite 1000
Fort Worth, TX 76102
Attention: Steven Tholen
Email: stholen@highpeakenergy.com

with a copy to: Vinson & Elkins LLP
1114 Avenue of the Americas, 32nd Floor
New York, NY 10036
Attention: David Wicklund
Email: dwicklund@velaw.com

Administrative Agent:	Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201 Attention: Denise Wolfenberger Email: denise.wolfenberger@texascapitalbank.com
with a copy to:	Texas Capital Bank 2000 McKinney Avenue, Suite 700 Dallas, TX 75201 Attention: Agency Management Email: agency@texascapitalbank.com
Collateral Agent:	Chambers Energy Management, LP 600 Travis Street, Suite 4700 Houston, TX 77002 Attention: Operations Team Email: ops@chambersenergy.com

provided that any notice, request or demand to or upon Administrative Agent, Collateral Agent or any Lender shall not be effective until received.

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including e-mail and internet or intranet websites) pursuant to procedures approved by Administrative Agent or Collateral Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by Administrative Agent and the applicable Lender. Administrative Agent, Collateral Agent or Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications. Administrative Agent and Collateral Agent hereby agree to accept notices hereunder (including notices pursuant to Section 2.6) by electronic mail in portable document format (.pdf).

Unless Administrative Agent or Collateral 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) above, if such facsimile, email or other electronic communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Platform.

(i) Borrower, each other Loan Party, each Lender, and Collateral Agent agrees that Administrative Agent may, but shall not be obligated to, make the Communications available to the Lenders or Collateral Agent by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties do not warrant the accuracy or completeness of the Communications or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. Although the Platform is secured with generally-applicable security procedures and policies implemented or modified by Administrative Agent from time to time, each of the Lenders, Collateral Agent, and the Borrower acknowledges and agrees that (x) the distribution of material through an electronic medium is not necessarily secure and (y) the Agent Parties are not responsible for approving or vetting the representatives, designees or contacts of any Lender or Collateral Agent that are provided access to the Platform and that there may be confidentiality and other risks associated with such form of distribution, and each Lender, Collateral Agent, and Borrower understands and accepts such risks. In no event shall the Agent Parties have any liability to any Loan Party, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or Administrative Agent's transmission of Communications through the Platform.

(iii) Each Loan Party (by its, his or her execution of a Loan Document) hereby authorizes Administrative Agent, each Lender, and their respective counsel and agents and Related Parties (each, an "***Authorized Party***") to communicate and transfer documents and other information (including confidential information) concerning this transaction or Borrower or any other Loan Party and the business affairs of Borrower and such other Loan Parties via the internet or other electronic communication method. IN NO EVENT SHALL ANY AUTHORIZED PARTY HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY SUCH COMMUNICATIONS OR TRANSMISSIONS, EXCEPT TO THE EXTENT THAT SUCH DAMAGES ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION IN A FINAL AND NONAPPEALABLE JUDGMENT TO HAVE DIRECTLY RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH AUTHORIZED PARTY; *PROVIDED, HOWEVER*, THAT IN NO EVENT SHALL ANY AUTHORIZED PARTY HAVE ANY LIABILITY FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES).

(d) Public Information. Each Loan Party hereby acknowledges that certain of the Lenders (each, a "***Public Lender***") may have personnel who do not wish to receive material non-public information with respect to any Loan Party 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 securities. Each Loan Party hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of any Loan Party hereunder and under the other Loan Documents (collectively, "***Borrower Materials***") that may be distributed to the Public Lenders and that (i) all such Borrower Materials 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; (ii) by marking Borrower Materials "PUBLIC," each Loan Party shall be deemed to have authorized Administrative Agent, Collateral Agent and the other Lenders to treat such Borrower Materials as not containing any material non-public information with respect to any Loan Party or its securities for purposes of U.S. federal and state securities Laws (*provided, however*, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 9.15); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (iv) Administrative Agent 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 not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders, in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and under 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 any Loan Party or its Subsidiaries and its securities for the purposes of United States federal or state securities Laws.

9.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of Administrative Agent, Collateral Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents 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 are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

9.4 Survival of Representations and Warranties. All representations and warranties made herein, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

9.5 Payment of Expenses. Borrower agrees to:

(a) pay or reimburse Administrative Agent and Collateral Agent on demand for all of their respective reasonable out of pocket costs and expenses incurred in connection with the development, preparation and execution of, this Agreement and the other Loan Documents and any amendment, supplement, waiver or modification to, this Agreement and the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, the reasonable fees and disbursements and other charges of counsel and consultants to Administrative Agent and Collateral Agent; and

(b) pay or reimburse each Lender, Administrative Agent and Collateral Agent on demand for all of their respective costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the other Loan Documents (including periodic collateral / financial control, field examinations, asset appraisal expenses, the monitoring of assets, and other miscellaneous disbursements) and any other documents prepared in connection herewith or therewith, including, the fees and disbursements of counsel of the Administrative Agent and counsel of the Collateral Agent.

9.6 Indemnification; Waiver

(a) BORROWER AND THE OTHER LOAN PARTIES SHALL, AND DO HEREBY JOINTLY AND SEVERALLY INDEMNIFY, ADMINISTRATIVE AGENT AND COLLATERAL AGENT (AND ANY SUB-AGENT THEREOF), EACH LENDER AND EACH MEMBER, PARTNER, OFFICER, DIRECTOR, EMPLOYEE, ADVISOR, REPRESENTATIVE, AGENT, ATTORNEY-IN-FACT AND AFFILIATE 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, PENALTIES, JUDGMENTS, DISBURSEMENTS, COSTS AND RELATED EXPENSES (INCLUDING THE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE), INCURRED BY ANY INDEMNITEE OR ASSERTED AGAINST ANY INDEMNITEE BY ANY THIRD PARTY OR BY ANY LOAN PARTY OR ANY SUBSIDIARY OF A LOAN PARTY, EITHER DIRECTLY OR INDIRECTLY, ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF (I) THE NEGOTIATION, EXECUTION, ENFORCEMENT 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, THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, OR, IN THE CASE OF ADMINISTRATIVE AGENT AND COLLATERAL AGENT (AND ANY SUB-AGENT, OFFICER, DIRECTOR, EMPLOYEE, AGENT, ATTORNEY-IN-FACT AND AFFILIATE THEREOF) THE ADMINISTRATION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, (II) ANY BREACH BY ANY LOAN PARTY OF ANY REPRESENTATION, WARRANTY, COVENANT, OR OTHER AGREEMENT CONTAINED IN ANY OF THE LOAN DOCUMENTS, (III) ANY AND ALL RECORDING AND FILING FEES AND ANY AND ALL LIABILITIES WITH RESPECT TO, OR RESULTING FROM ANY DELAY IN PAYING, STAMP, EXCISE AND OTHER TAXES, IF ANY, WHICH MAY BE PAYABLE OR DETERMINED TO BE PAYABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF, OR CONSUMMATION OR ADMINISTRATION OF ANY OF THE TRANSACTIONS CONTEMPLATED BY, OR ANY AMENDMENT, SUPPLEMENT OR MODIFICATION OF, OR ANY WAIVER OR CONSENT UNDER OR IN RESPECT OF, THIS AGREEMENT, THE OTHER LOAN DOCUMENTS AND ANY SUCH OTHER DOCUMENTS, (IV) ANY ACTUAL OR ALLEGED PRESENCE OR RELEASE OF HAZARDOUS MATERIALS ON OR FROM ANY PROPERTY OWNED OR OPERATED BY ANY LOAN PARTY OR ANY SUBSIDIARY OF A LOAN PARTY, OR ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO ANY LOAN PARTY OR ANY SUBSIDIARY OF A LOAN PARTY, (V) THE USE BY UNAUTHORIZED PERSONS OF INFORMATION OR OTHER MATERIALS SENT THROUGH ELECTRONIC, TELECOMMUNICATIONS OR OTHER INFORMATION TRANSMISSION SYSTEMS THAT ARE INTERCEPTED BY SUCH PERSONS OR (VI) 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 ANY LOAN PARTY OR ANY SUBSIDIARY OF A 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, SOLE, CURRENT OR ORDINARY NEGLIGENCE OF THE INDEMNITEE**; (ALL THE FOREGOING IN THIS CLAUSE (a), COLLECTIVELY, THE "***INDEMNIFIED LIABILITIES***"); PROVIDED THAT BORROWER SHALL HAVE NO OBLIGATION HEREUNDER TO ANY INDEMNITEE WITH RESPECT TO INDEMNIFIED LIABILITIES TO THE EXTENT SUCH INDEMNIFIED LIABILITIES ARE FOUND BY A FINAL AND NONAPPEALABLE DECISION OF A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED SOLELY AND PROXIMATELY FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE. NO INDEMNITEE SHALL BE LIABLE FOR ANY DAMAGES ARISING FROM THE USE BY UNAUTHORIZED PERSONS OF INFORMATION OR OTHER MATERIALS SENT THROUGH ELECTRONIC, TELECOMMUNICATIONS OR OTHER INFORMATION TRANSMISSION SYSTEMS THAT ARE INTERCEPTED BY SUCH PERSONS **OR FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THE LOANS.**

(b) TO THE EXTENT PERMITTED BY APPLICABLE LAW, BORROWER AGREES NOT TO ASSERT AND TO CAUSE ITS SUBSIDIARIES NOT TO ASSERT, AND HEREBY WAIVES AND AGREES TO CAUSE ITS SUBSIDIARIES SO TO WAIVE (I) ANY CLAIM AGAINST ADMINISTRATIVE AGENT AND COLLATERAL AGENT (AND ANY SUB-AGENT THEREOF), EACH LENDER AND EACH MEMBER, PARTNER, OFFICER, DIRECTOR, EMPLOYEE, ADVISOR, REPRESENTATIVE, AGENT, ATTORNEY-IN-FACT AND AFFILIATE OF ANY OF THE FOREGOING PERSONS, 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 ADVANCE OR THE USE OF THE PROCEEDS THEREOF AND (II) ALL RIGHTS FOR CONTRIBUTION OR ANY OTHER RIGHTS OF RECOVERY WITH RESPECT TO ALL CLAIMS, DEMANDS, PENALTIES, FINES, LIABILITIES, SETTLEMENTS, DAMAGES, COSTS AND EXPENSES OF WHATEVER KIND OR NATURE, UNDER OR RELATED TO ENVIRONMENTAL LAWS, THAT ANY OF THEM MIGHT HAVE BY STATUTE OR OTHERWISE AGAINST ANY INDEMNITEE.

(c) ALL AMOUNTS DUE UNDER THIS SECTION 9.6 SHALL BE PAYABLE NOT LATER THAN TEN DAYS AFTER WRITTEN DEMAND THEREFOR. STATEMENTS REFLECTING AMOUNTS PAYABLE BY BORROWER PURSUANT TO THIS SECTION 9.6 SHALL BE SUBMITTED TO BORROWER AT THE ADDRESS OF BORROWER SET FORTH IN SECTION 9.2, OR TO SUCH OTHER PERSON OR ADDRESS AS MAY BE HEREAFTER DESIGNATED BY BORROWER IN A NOTICE TO ADMINISTRATIVE AGENT AND COLLATERAL AGENT. THE AGREEMENTS IN THIS SECTION 9.6 SHALL SURVIVE REPAYMENT OF THE LOANS AND ALL OTHER AMOUNTS PAYABLE HEREUNDER.

9.7 Successors and Assigns; Participations and Assignments.

(a) This Agreement shall be binding upon and inure to the benefit of Borrower, the Lenders, Administrative Agent, Collateral Agent, all future holders of the Loans and their respective successors and assigns, except that Borrower may not assign or transfer any of its respective rights or obligations under this Agreement without the prior written consent of Administrative Agent, Collateral Agent and each Lender (and any attempted assignment or transfer by Borrower without such consent shall be null and void).

(b) Any Lender may, without the consent of, or notice to, Borrower or any other Person, in accordance with applicable law, at any time sell to one or more banks, financial institutions or other entities (other than a Disqualified Lender or a Defaulting Lender) (each, a "***Participant***") participating interests in any Loan owing to such Lender, any Commitment of such Lender or any other interest of such Lender hereunder and under the other Loan Documents. In the event of any such sale by a Lender of a participating interest to a Participant, such Lender's obligations under this Agreement to the other parties to this Agreement shall remain unchanged, such Lender shall remain solely responsible for the performance thereof, such Lender shall remain the holder of any such Loan for all purposes under this Agreement and the other Loan Documents, and Borrower and Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and the other Loan Documents. In no event shall any Participant under any such participation have any right to approve any amendment or waiver of any provision of any Loan Document, or any consent to any departure by any Loan Party therefrom, except to the extent that such amendment, waiver or consent would require the consent of all Lenders pursuant to Section 9.1. Borrower agrees that if amounts outstanding under this Agreement and the Loans are due or unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall, to the maximum extent permitted by applicable law, be deemed to have the right of setoff in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement, provided that, in purchasing such participating interest, such Participant shall be deemed to have agreed to share with the Lenders the proceeds thereof as provided in Section 9.8(a) as fully as if such Participant were a Lender hereunder. Borrower also agrees that each Participant shall be entitled to the benefits of Sections 2.10 and 2.11 with respect to its participation in the Commitments and the Loans outstanding from time to time as if such Participant were a Lender; provided that, in the case of Section 2.11, such Participant shall have complied with the requirements of Section 2.11, and; provided, *further*, that no Participant shall be entitled to receive any greater amount pursuant to any such Section than the transferor Lender would have been entitled to receive in respect of the amount of the participation transferred by such transferor Lender to such Participant had no such transfer occurred. Each Lender that sells a participation shall 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 Commitments or the Loans or other obligations under this Agreement (the "***Participant Register***"). 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.

(c) Subject to the conditions set forth in clause (ii) below, any Lender and any Related Fund of any Lender (an "***Assignor***") may assign to one or more banks, financial institutions, insurance companies or other entities (other than a Disqualified Lender, a natural person or any Management Affiliate to the extent prohibited by Section 9.7(i)) ("***Assignees***") all or a portion of its rights and obligations under this Agreement (including all or a portion of Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld, conditioned or delayed) of Borrower and Administrative Agent (and Borrower shall be deemed to have consented to any such assignment of any Loans unless it shall have objected thereto by written notice to Administrative Agent within ten Business Days after having received notice thereof to a Responsible Officer of the Borrower); provided:

(i) no consent of Borrower shall be required, and Borrower may not object to any such assignment: (A) prior to the first date on which at least 40% of the aggregate principal amount of the Loans outstanding on the Closing Date have been assigned to one or more Persons other than one or more of the Lenders as of the fifth Business Day following the Closing Date; (B) for any assignment of all or any portion of its rights and obligations under this Agreement (including Loans) to a Lender, an Affiliate of a Lender or an Related Fund, or (C) if an Event of Default has occurred and is continuing; and

(ii) no consent of Administrative Agent shall be required for an assignment of all or any portion of its rights and obligations under this Agreement (including all or a portion of Loans at the time owing to it) to a Lender, an Affiliate of a Lender or an Related Fund;

(d) Each Assignment shall be made pursuant to an Assignment and Assumption, substantially in the form of Exhibit I (an "***Assignment and Assumption***"), executed by such Assignee and such Assignor (and, where the consent of Administrative Agent is required pursuant to the foregoing provisions, by Administrative Agent) and delivered to Administrative Agent for its acceptance and recording in the Register; provided that (i) no such assignment to an Assignee (other than any Lender, an Affiliate of a Lender or a Related Fund) shall be in an aggregate principal amount of less than $1,000,000 (other than, in each case, in the case of an assignment of all of a Lender's interests under this Agreement), unless otherwise agreed by Borrower and Administrative Agent, (ii) the Assignor or Assignee has paid to Administrative Agent a processing and recordation fee in the amount of $3,500.00 (which fee may be waived or reduced in the sole discretion of Administrative Agent), and (iii) only one such fee shall be payable in the case of concurrent assignments to Persons that, after giving effect to such assignments, will be Related Funds. Upon such execution, delivery, acceptance and recording, from and after the effective date determined pursuant to such Assignment and Assumption, (x) the Assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Assumption, have the rights and obligations of a Lender hereunder with Commitments or Loans as set forth therein, and (y) the Assignor thereunder shall, to the extent provided in such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of an Assignor's rights and obligations under this Agreement, such Assignor shall cease to be a party hereto, except as to Sections 2.10, 2.11 and 9.5 in respect of the period prior to such effective date). For purposes of the minimum assignment amounts set forth in this Section 9.7(c), multiple assignments by two or more Related Funds shall be aggregated. 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 or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full pro rata share of all Loans in accordance with its Aggregate Exposure. 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.

(e) Administrative Agent shall, on behalf of Borrower, maintain at its address referred to in Section 9.2 a copy of each Assignment and Assumption delivered to it and a register (the "***Register***") for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount (and stated interest) of the Loans owing to, each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrower, Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register as the owner of the Loans and any Note evidencing such Loans recorded therein for all purposes of this Agreement. Any assignment of any Loan, whether or not evidenced by a Note, shall be effective only upon appropriate entries with respect thereto being made in the Register (and each Note shall expressly so provide). Any assignment or transfer of all or part of a Loan evidenced by a Note shall be registered on the Register only upon surrender for registration of assignment or transfer of the Note evidencing such Loan, accompanied by a duly executed Assignment and Assumption; thereupon one or more new Notes in the same aggregate principal amount shall be issued to the designated Assignee, and the old Notes shall be returned by Administrative Agent to Borrower marked "canceled". The Register shall be available for inspection by Borrower or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Assumption executed by an Assignor and an Assignee (and, in any case where the consent of any other Person is required by Section 9.7(c), by each such other Person), Administrative Agent shall (i) promptly accept such Assignment and Assumption and (ii) on the effective date determined pursuant thereto record the information contained therein in the Register and give notice of such acceptance and recordation to Borrower. On or prior to such effective date, Borrower, at its own expense, upon request, shall execute and deliver to Administrative Agent (in exchange for the applicable Note, if any, of the assigning Lender) a new Note or Notes to such Assignee in an amount equal to the Commitment or Loan assumed or acquired by it pursuant to such Assignment and Assumption and, if the Assignor has retained a Commitment or Loan, as the case may be, upon request, a new Note or Notes to the Assignor in an amount equal to the Commitment or Loans, as the case may be, retained by it hereunder. Such new Note or Notes shall be dated the Closing Date and shall otherwise be in the form of the Note or Notes replaced thereby.

(g) For avoidance of doubt, the parties to this Agreement acknowledge that the provisions of this Section 9.7 concerning assignments of Loans and Notes relate only to absolute assignments and that such provisions do not prohibit assignments creating security interests in Loans and Notes, including, any pledge or assignment by a Lender of any Loan or Note to any Federal Reserve Bank in accordance with applicable law.

(h) Notwithstanding anything to the contrary contained herein, any Lender (a "***Granting Lender***") may grant to a special purpose funding vehicle (an "***SPV***"), identified as such in writing from time to time by the Granting Lender to Administrative Agent and Borrower, the option to provide to Borrower all or any part of any Loan that such Granting Lender would otherwise be obligated to make to Borrower pursuant to this Agreement; provided that (i) nothing herein shall constitute a commitment by any SPV to make any Loan, (ii) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Lender shall be obligated to make such Loan pursuant to the terms hereof and (iii) such SPV and the applicable Loan or any applicable part thereof, shall be appropriately reflected in the Participant Register. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Loan were made by such Granting Lender. Each party hereto hereby agrees that no SPV shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Lender). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other indebtedness of any SPV, it will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof. In addition, notwithstanding anything to the contrary in this Section 9.7(h), any SPV may (x) with notice to, but without the prior written consent of, Borrower and Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Lender, or with the prior written consent of Borrower and Administrative Agent (which consent shall not be unreasonably withheld, conditioned or delayed) to any financial institutions providing liquidity or credit support to or for the account of such SPV to support the funding or maintenance of Loans, and (y) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPV; provided that non-public information with respect to Borrower may be disclosed only with Borrower's consent which will not be unreasonably withheld, conditioned or delayed. This Section 9.7(h) may not be amended without the written consent of any SPV with Loans outstanding at the time of such proposed amendment.

(i) Notwithstanding anything to the contrary contained herein (x) no assignment shall be permitted to any Management Affiliate which results in the Management Affiliates collectively holding more than 33% in aggregate principal amount of then outstanding Loans and (y) Loans held by any Management Affiliate shall not have the right to vote on any action to be taken hereunder or any Loan Document or to be taken into account in determining the "Required Lenders."

(j) [Reserved].

(k) Any Lender may, so long as no Default or Event of Default has occurred and is continuing, at any time, may assign all or a portion of its rights and obligations with respect to Loans under this Agreement to Borrower or any of its Subsidiaries through Dutch auctions open to all Lenders on a pro rata basis in accordance with the procedures described below; provided that, in connection with assignments pursuant to this clause (k):

(i) (a) the principal amount of such Loans, along with all accrued and unpaid interest thereon, so contributed, assigned or transferred to Borrower or a Subsidiary shall be deemed automatically cancelled and extinguished on the date of such contribution, assignment or transfer, (b) the aggregate outstanding principal amount of Loans of the remaining Lenders shall reflect such cancellation and extinguishing of the Loans then held by Borrower and (c) Borrower shall promptly provide notice to the Administrative Agent of such contribution, assignment or transfer of such Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Loans in the Register;

(ii) Any "Dutch auction" shall be an auction (an "***Auction***") conducted by Borrower to purchase Loans, substantially in accordance with the following procedures (as may be modified by Borrower and the applicable "auction agent" in connection with a particular Auction transaction); provided that Borrower shall not initiate any Auction unless (I) at least five Business Days have passed since the consummation of the most recent purchase of Loans pursuant to an Auction conducted hereunder; or (II) at least three Business Days have passed since the date of the last Failed Auction (or equivalent) which was withdrawn:

(iii) Notice Procedures. In connection with any Auction, Borrower will provide notification to the Auction Agent (for distribution to the relevant Lenders) of the Loans that will be the subject of the Auction (an "***Auction Notice***"). Each Auction Notice shall be in a form reasonably acceptable to the Auction Agent and shall (i) specify the maximum aggregate principal amount of the Loans subject to the Auction, in a minimum amount of $10,000,000 and whole increments of $1,000,000 in excess thereof (or, in any case, such lesser amount of such Loans then outstanding or which is otherwise reasonably acceptable to the Auction Agent and the Administrative Agent (if different from the Auction Agent)) (the "***Auction Amount***"), (ii) specify the discount to par (which may be a range (the "***Discount Range***") of percentages of the par principal amount of the Loans subject to such Auction), that represents the range of purchase prices that Borrower would be willing to accept in the Auction, (iii) be extended to each Lender and (iv) remain outstanding through the Auction Response Date. The Auction Agent will promptly provide each appropriate Lender with a copy of the Auction Notice and a form of the Return Bid to be submitted by a responding Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m. on the date specified in the Auction Notice (or such later date as Borrower may agree with the reasonable consent of the Auction Agent) (the "***Auction Response Date***").

(iv) Reply Procedures. In connection with any Auction, each Lender holding Loans subject to such Auction may, in its sole discretion, participate in such Auction and may provide the Auction Agent with a notice of participation (the "***Return Bid***") which shall be in a form reasonably acceptable to the Auction Agent, and shall specify (i) a discount to par (that must be expressed as a price at which it is willing to sell all or any portion of such Loans) (the "***Reply Price***"), which (when expressed as a percentage of the par principal amount of such Loans) must be within the Discount Range and (ii) a principal amount of such Loans, which must be in whole increments of $1,000,000 (or, in any case, such lesser amount of such Loans of such Lender then outstanding or which is otherwise reasonably acceptable to the Auction Agent) (the "***Reply Amount***"). Lenders may only submit one Return Bid per Auction, but each Return Bid may contain up to three bids only one of which may result in a Qualifying Bid. In addition to the Return Bid, the participating Lender must execute and deliver, to be held in escrow by the Auction Agent, an Assignment and Assumption with the dollar amount of the Loans to be assigned to be left in blank, which amount shall be completed by the Auction Agent in accordance with the final determination of such Lender's Qualifying Bid pursuant to clause (v) below. Any Lender whose Return Bid is not received by the Auction Agent by the Auction Response Date shall be deemed to have declined to participate in the relevant Auction with respect to all of its Loans.

(v) Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Agent prior to the applicable Auction Response Date, the Auction Agent, in consultation with Borrower, will determine the applicable price (the "***Applicable Price***") for the Auction, which will be the lowest Reply Price for which Borrower can complete the Auction at the Auction Amount; provided that, in the event that the Reply Amounts are insufficient to allow Borrower to complete a purchase of the entire Auction Amount (any such Auction, a "***Failed Auction***"), Borrower shall either, at its election, (i) withdraw the Auction or (ii) complete the Auction at an Applicable Price equal to the highest Reply Price. Borrower shall purchase the relevant Loans (or the respective portions thereof) from each Lender with a Reply Price that is equal to or lower than the Applicable Price ("***Qualifying Bids***") at the Applicable Price; provided that if the aggregate proceeds required to purchase all Loans subject to Qualifying Bids would exceed the Auction Amount for such Auction, Borrower shall purchase such Loans at the Applicable Price ratably based on the principal amounts of such Qualifying Bids (subject to rounding requirements specified by the Auction Agent in its discretion). If a Lender has submitted a Return Bid containing multiple bids at different Reply Prices, only the bid with the lowest Reply Price that is equal to or less than the Applicable Price will be deemed to be the Qualifying Bid of such Lender. The Auction Agent shall promptly, and in any case within five Business Days following the Auction Response Date with respect to an Auction, notify (I) Borrower of the respective Lenders' responses to such solicitation, the effective date of the purchase of Loans pursuant to such Auction, the Applicable Price, and the aggregate principal amount of the Loans to be purchased pursuant to such Auction, (II) each participating Lender of the effective date of the purchase of Loans pursuant to such Auction, the Applicable Price, and the aggregate principal amount of the Loans to be purchased at the Applicable Price on such date, (III) each participating Lender of the aggregate principal amount of the Loans of such Lender to be purchased at the Applicable Price on such date and (IV) if applicable, each participating Lender of any rounding and/or proration pursuant to the second preceding sentence. Each determination by the Auction Agent of the amounts stated in the foregoing notices to Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error.

(vi) Additional Procedures. (A) Once initiated by an Auction Notice, Borrower may not withdraw an Auction other than a Failed Auction. Furthermore, in connection with any Auction, upon submission by a Lender of a Qualifying Bid, such Lender will be obligated to sell the entirety or its allocable portion of the Reply Amount, as the case may be, at the Applicable Price.

(B) To the extent not expressly provided for herein, each purchase of Loans pursuant to an Auction shall be consummated pursuant to procedures consistent with the provisions in this definition, established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by Borrower.

(C) In connection with any Auction, Borrower and the Lenders acknowledge and agree that the Auction Agent may require as a condition to any Auction, the payment of customary fees and expenses by Borrower in connection therewith as agreed between Borrower and the Auction Agent.

(D) Notwithstanding anything in any Loan Document to the contrary, for purposes of this definition, each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon the Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; provided that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(E) Borrower and the Lenders acknowledge and agree that the Auction Agent may perform any and all of its duties under this definition by itself or through any Affiliate of the Auction Agent and expressly consent to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any purchase of Loans provided for in this definition as well as activities of the Auction Agent.

9.8 Adjustments; Set off.

(a) If any Lender (a "***Benefitted Lender***") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set off, pursuant to events or proceedings of the nature referred to in clause (f) of Section 7.1, or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, other than (x) for any payment made by the Borrower pursuant to and in accordance with the express terms of the Credit Agreement (including potential expense reimbursements) or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) In addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to Borrower, any such notice being expressly waived by Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by Borrower hereunder (whether at the stated maturity, by acceleration or otherwise), to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of Borrower. Each Lender agrees to notify promptly Borrower, Administrative Agent and Collateral Agent after any such setoff and application made by such Lender, provided that the failure to give such notice shall not affect the validity of such setoff and application. 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 2.17 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 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.

9.9 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission or in portable document format (.pdf) shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with Borrower, Administrative Agent and Collateral Agent.

9.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9.11 Integration; Construction.

(a) This Agreement and the other Loan Documents represent the entire agreement of Borrower, Administrative Agent, Collateral Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by Administrative Agent, Collateral Agent or any Lender relative to the subject matter hereof not expressly set forth or referred to herein or in the other Loan Documents.

(b) Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

9.12 GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT (INCLUDING ANY CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

9.13 Submission To Jurisdiction; Waivers. Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York located in the County of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to Borrower at its address set forth in Section 9.2 or at such other address of which Administrative Agent and Collateral Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO IN THIS SECTION 9.13 ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

9.14 Acknowledgments. Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) none of Administrative Agent, Collateral Agent or any Lender has any fiduciary relationship with or duty to Borrower or any Subsidiary thereof arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent, Collateral Agent and the Lenders, on one hand, and Borrower and its Subsidiaries, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among Administrative Agent, Collateral Agent and the Lenders or among Borrower and its Subsidiaries and the Lenders.

9.15 Confidentiality. Administrative Agent, Collateral Agent and each Lender severally agrees to keep confidential all non-public information provided to it by any Loan Party pursuant to this Agreement that is designated by such Loan Party as confidential; provided that nothing herein shall prevent Administrative Agent, Collateral Agent or any Lender from disclosing any such information (a) to Administrative Agent, Collateral Agent, CAA Collateral Agent, any other Lender or any Affiliate of any thereof, (b) to any Participant or Assignee (each, a "***Transferee***") or prospective Transferee that agrees to comply with the provisions of this Section 9.15 or substantially equivalent provisions, (c) to any of its employees, directors, agents, attorneys, accountants, legal counsel and other professional advisors, (d) upon the request or demand of other Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (e) in response to any subpoena, order of any court or similar legal process or otherwise in connection any litigation, (h) that has been publicly disclosed other than a breach of this Section 9.15, (i) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment portfolio in connection with ratings issued with respect to such Lender, (j) in connection with the exercise of any remedy hereunder or under any other Loan Document or (i) to any actual or potential credit provider, investor, or other entity in connection with a financing or securitization or proposed financing or securitization of all or a part of any amounts payable to or for the benefit of any Lender or its Affiliates under the Loan Documents so long the recipient agrees to keep such information confidential in a manner materially consistent with this Section 9.15. Notwithstanding anything to the contrary in the foregoing sentence or any other express or implied agreement, arrangement or understanding, the parties hereto hereby agree that, from the commencement of discussions with respect to the financing provided hereunder, any party hereto (and each of its employees, representatives, or agents) is permitted to disclose to any and all persons, without limitation of any kind, the tax structure and tax aspects of the transactions contemplated hereby, and all materials of any kind (including opinions or other tax analyses) related to such tax structure and tax aspects.

9.16 Release of Collateral and Guarantee Obligations.

(a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of Borrower in connection with any Disposition of Property permitted by the Loan Documents (other than to a Loan Party), Collateral Agent shall (without notice to, or vote or consent of, any Lender or any Qualified Counterparty that is a party to any Qualified Hedging Agreement) take such actions as shall be required to release its security interest in any Collateral that is, or owned by any Person all the Capital Stock of which is, being Disposed of in such Disposition, and to release any Guarantee Obligations under any Loan Document of any Person being Disposed of in such Disposition (subject to clause (c) below), to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents; provided that Borrower shall have delivered to Collateral Agent, at least ten Business Days prior to the date of the proposed release (or such shorter period agreed to by Collateral Agent), a written request for release identifying the relevant Collateral being Disposed of in such Disposition and the terms of such Disposition in reasonable detail, including the date thereof, the price thereof and any expenses in connection therewith, together with a certification by Borrower stating that such transaction is in compliance with this Agreement and the other Loan Documents and that the proceeds of such Disposition will be applied in accordance with this Agreement and the other Loan Documents.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than obligations in respect of any Qualified Hedging Agreement) have been paid in full, all Commitments have terminated or expired, upon request of Borrower, Collateral Agent shall (without notice to, or vote or consent of, any Lender or any Qualified Counterparty that is a party to any Qualified Hedging Agreement) take such actions as shall be required to release its security interest in all Collateral, and to release all Guarantee Obligations provided for in any Loan Document, whether or not on the date of such release there may be outstanding Obligations in respect of Qualified Hedging Agreements. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Borrower or any Guarantor or any substantial part of its Property, or otherwise, all as though such payment had not been made. Notwithstanding anything herein to the contrary, the release of security interest by Collateral Agent under this clause (b) only applies with respect to the Obligations; provided, the Collateral Agent is not authorized hereunder to release, and any such release will not affect, any security interest granted to secure any First-Out Debt, including any First-Out Hedging Obligations (as such terms are defined in Collateral Agency Agreement).

(c) Notwithstanding anything to the contrary contained herein or in any other Loan Document, the CAA Collateral Agent is authorized to release a Guarantor from its Guarantee Obligations under the Loan Documents only in the event that (i) all (and not partial) of the Capital Stock of such Guarantor are sold, transferred, conveyed, associated or otherwise disposed of in a transaction permitted by the Loan Documents or (ii) such Guarantor is designated as an Unrestricted Subsidiary in accordance with Section 5.17 (provided that, in each case, the release of any Guarantor from its Guarantee Obligations under the Loan Documents solely as a result of such Guarantor becoming a direct or indirect non-Wholly Owned Subsidiary of the Borrower shall only be permitted pursuant to a *bona fide* transaction with a third party that is not otherwise an Affiliate of the Borrower and such transaction was not for the purpose of releasing the guarantee of such Guarantor). In such event, the CAA Collateral Agent, at the sole expense of the Borrower and the applicable Guarantor, shall promptly execute and deliver to the Borrower or such Guarantor all releases, termination statements and/or other documents reasonably necessary or desirable to evidence such release; provided that the Borrower shall have delivered to the CAA Collateral Agent a written request for release identifying the relevant Guarantor together with a certification by the Borrower stating (x) that such transaction is in compliance with this Agreement and the other Loan Documents, and (y) no Guarantor or Collateral other than the Guarantor or Collateral required to be released is being released.

9.17 Interest Rate Limitation.

(a) It is the intention of the parties hereto that each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Lender under laws applicable to it (including the laws of the United States of America and the laws of any State whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Loan Documents or any agreement entered into in connection with or as security for the Loans, it is agreed as follows: the aggregate of all consideration which constitutes interest under law applicable to any Lender that is contracted for, taken, reserved, charged or received by such Lender under any of the Loan Documents or agreements or otherwise in connection with the Loans shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Lender on the principal amount of the Indebtedness (or, to the extent that the principal amount of the Indebtedness shall have been or would thereby be paid in full, refunded by such Lender to Borrower); and in the event that the maturity of the Loans is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Lender as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Lender on the principal amount of the Indebtedness (or, to the extent that the principal amount of the Indebtedness shall have been or would thereby be paid in full, refunded by such Lender to Borrower). All sums paid or agreed to be paid to any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Lender, be amortized, prorated, allocated and spread throughout the stated term of the Loans until payment in full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law.

(b) If at any time and from time to time (i) the amount of interest payable to any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Lender pursuant to this Section 9.17 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Highest Lawful Rate applicable to such Lender, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Lender until the total amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to this Section 9.17.

9.18 Accounting Changes. In the event that any "Accounting Change" (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then Borrower and Administrative Agent agree to enter into negotiations in order to amend such provisions of this Agreement so as to equitably reflect such Accounting Change with the desired result that the criteria for evaluating the consolidated financial condition of Borrower shall be the same after such Accounting Change as if such Accounting Change had not been made. Until such time as such an amendment shall have been executed and delivered by Borrower, Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Change had not occurred. "***Accounting Change***" refers to any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC.

9.19 WAIVERS OF JURY TRIAL. BORROWER, AGENT, COLLATERAL AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN (IN EACH CASE, WHETHER FOR CLAIMS SOUNDING IN CONTRACT OR IN TORT OR OTHERWISE). EACH PARTY HEREBY CERTIFIES THAT NO PARTY HERETO NOR ANY REPRESENTATIVE OR AGENT OF COUNSEL FOR ANY PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, OR IMPLIED THAT SUCH PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS, AND ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT, THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATION CONTAINED IN THIS SECTION 9.19.

9.20 Customer Identification – USA PATRIOT Act Notice. Administrative Agent (for itself and not on behalf of any other party) and each Lender hereby notifies the Loan Parties 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 Loan Parties, which information includes the name and address of the Loan Parties and other information that will allow Administrative Agent or such Lender, as applicable, to identify the Loan Parties in accordance with the Patriot Act.

9.21 Creditor-Debtor Relationship. The relationship between Administrative Agent, Collateral Agent and each Lender on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No Secured Party has any fiduciary relationship or duty to any Loan Party arising out of or in connection with, and there is no agency, tenancy or joint venture relationship between the Secured Parties and the Loan Parties by virtue of, this Agreement or any Loan Document or any other document or transaction contemplated herein or therein.

9.22 ORIGINAL ISSUE DISCOUNT. THE LOANS ARE BEING ISSUED WITH "ORIGINAL ISSUE DISCOUNT" (WITHIN THE MEANING OF SECTION 1273 OF THE CODE) FOR U.S. FEDERAL INCOME TAX PURPOSES. UPON WRITTEN REQUEST TO BORROWER, BORROWER WILL PROMPTLY MAKE AVAILABLE TO ANY PERSON HAVING AN INTEREST IN THE LOANS THE FOLLOWING INFORMATION: (1) THE ISSUE DATE OF THE LOANS, (2) THE AMOUNT OF ORIGINAL ISSUE DISCOUNT ON THE LOANS AND (3) THE YIELD TO MATURITY OF THE LOANS.

9.23 COLLATERAL AGENCY AGREEMENT. In the event of a conflict between the provisions of any of the Loan Documents and the provisions of the Collateral Agency Agreement, the provisions of the Collateral Agency Agreement shall control.

[*Signature Page to Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

HIGHPEAK ENERGY, INC., as Borrower

By: /s/ Jack Hightower
Name: Jack Hightower
Title: Chief Executive Officer

TEXAS CAPITAL BANK,
as Administrative Agent

By: /s/ Jared R. Mills
Name: Jared R. Mills
Title: Executive Director

CHAMBERS ENERGY MANAGEMENT, LP,
as Collateral Agent

By: /s/ J. Robert Chambers
Name: J. Robert Chambers
Title: President and CEO

Exhibit 10.2

COLLATERAL AGENCY AGREEMENT

dated as of September 12, 2023

among

HIGHPEAK ENERGY, INC.,
as the Company,

the other Grantors from time to time party hereto,

TEXAS CAPITAL BANK,
as the Collateral Agent,

MERCURIA ENERGY TRADING SA,
as the First-Out Representative,

and

CHAMBERS ENERGY MANAGEMENT, LP,
as the Term Representative

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Exhibits

This COLLATERAL AGENCY AGREEMENT (as amended, supplemented, amended and restated or otherwise modified from time to time in accordance with Section 7.1 hereof, this "Agreement") is dated as of September 12, 2023 and is by and among HIGHPEAK ENERGY, INC., a Delaware corporation (the "Company"), the other Grantors from time to time party hereto, TEXAS CAPITAL BANK ("Texas Capital") in its capacity as the Collateral Agent (as defined below) for the benefit of itself and the other Secured Parties, MERCURIA ENERGY TRADING SA, in its capacity as First-Out Representative (as defined below) and each of the undersigned Senior Hedging Parties (as defined below), CHAMBERS ENERGY MANAGEMENT, LP ("Chambers Energy"), in its capacity as the Term Representative (as defined below), and any other First-Out Debt Holder or other Representative that from time to time becomes party hereto by executing and delivering a Collateral Agency Joinder.

RECITALS

The Company, Texas Capital, as administrative agent thereunder, Chambers Energy, as collateral agent thereunder, and the lenders party thereto have entered into the Term Loan Agreement (as defined below), which agreement constitutes Term Obligations (as defined below) and First Lien Obligations (as defined below) for purposes of this Agreement.

The Company and the Senior Hedging Parties (as defined below) are parties to those certain Senior Hedging Agreements (as defined below), which agreements constitute First-Out Debt (as defined below) for purposes of this Agreement.

The Company and the other Grantors have secured (or intend to secure) their Obligations under the Term Loan Agreement and the Senior Hedging Agreements and any other First Lien Obligations, including First Liens for the benefit of any Senior Credit Facility, additional Qualifying Hedging Agreements and Qualified Cash Management Counterparties, with Liens on all present and future Collateral to the extent that such Liens have been provided for in the applicable Security Documents.

This Agreement sets forth the terms on which each Secured Party (other than the Collateral Agent) has appointed the Collateral Agent to act as the collateral agent for the present and future holders of the First Lien Obligations to receive, hold, maintain, administer and distribute the Collateral that is at any time delivered to the Collateral Agent or the subject of the Security Documents, and to enforce the Security Documents and all interests, rights, powers and remedies of the Collateral Agent with respect thereto or thereunder and the proceeds thereof.

Capitalized terms used in this Agreement have the meanings assigned to them above or in Article 1 below.

AGREEMENT

In consideration of the premises and the mutual agreements herein set forth, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

ARTICLE 1
DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Defined Terms. The following terms will have the following meanings:

"Additional First-Out Debt Designation" means a notice in substantially the form of Exhibit A.

"Affiliate" means, with respect to any 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. "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.

"Agreement" has the meaning set forth in the preamble.

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute.

"Bankruptcy Laws" means the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Cash Management Arrangement" means any agreement relating to treasury, depository, credit card, debit card, stored value cards, purchasing or procurement cards and cash management services or automated clearinghouse transfer of funds or any similar services.

"Cash Management Obligations" means, with respect to any Person, the obligations (whether contingent or otherwise) of such Person incurred in respect of Cash Management Arrangements.

"Collateral" means the "Collateral" as defined in the Security Agreement and all assets and property of the Company or any other Grantor, whether real, personal or mixed, wherever located and whether now owned or at any time acquired after the date of this Agreement by the Company or any other Grantor as to which a Lien has been granted or purported to be granted under any Security Document to the Collateral Agent to secure (or to purportedly secure) any or all of the First Lien Obligations.

"Collateral Agency Joinder" means (i) with respect to the provisions of this Agreement relating to any Senior Credit Facility or First-Out Hedging Counterparty, an agreement substantially in the form of Exhibit B, and (ii) with respect to the provisions of this Agreement relating to the addition of additional Grantors, an agreement substantially in the form of Exhibit C.

"Collateral Agent" means Texas Capital, together with its successors and assigns, acting solely in its capacity as collateral agent hereunder.

"Collateral Estate" has the meaning set forth in Section 2.1.

"Commercial Lending Institution" means a commercial bank engaged in oil and gas reserves-based lending in the ordinary course (including Fifth Third Bank, NA and Texas Capital Bank), including any assignee of any of the foregoing which is not otherwise a Commercial Lending Institution provided the assignee is either an Affiliate of the assigning Commercial Lending Institution, a fund managed or administered by the assigning Commercial Lending Institution or an Affiliate thereof or a fund that is managed or administered by a Person or an Affiliate of such Person that manages or administers the assigning Commercial Lending Institution.

"Commodity Hedge Agreement" means any agreement (including each confirmation entered into pursuant to any master agreement) providing for any swap, cap, collar, put, call, floor, future, option, spot, forward, emissions credit purchase or sale agreement, netting agreement or similar agreement entered into in respect of any commodity, whether physical or financial, and any agreement (including any guarantee, credit sleeve or similar arrangement) providing for credit support for the foregoing, in each case, as permitted by the Credit Agreements.

"Company" has the meaning set forth in the preamble.

"Controlling Representative" means (a) at any time prior to the earlier of (i) the Shifting Control Date and (ii) the Discharge of Term Obligations, the Term Representative, and (b) on or any time after the earlier of (i) the Shifting Control Date and (ii) the date of the Discharge of Term Obligations, the First-Out Representative (and as from time to time selected by) for the Required First-Out Debtholders.

"Credit Agreements" means, collectively, the Senior Credit Facility and the Term Loan Agreement.

"DIP Financing" means, in the event the Company or any of its subsidiaries becomes subject to any Insolvency or Liquidation Proceeding, any financing to be provided by one or more lenders under Section 364 of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law.

"DIP Financing Liens" has the meaning set forth in Section 2.4(a).

"DIP Lenders" has the meaning set forth in Section 2.4(a).

"Discharge of Excess First-Out Obligations" means the occurrence of all of the following:

(a) termination or expiration of all commitments to extend credit that would constitute Excess First-Out Obligations;

(b) payment in full in cash of the principal of and interest and premium (if any) on all Excess First-Out Obligations (including all interest, fees and expenses accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, specified in the First-Out Documents, even if such interest, fee or expense is not enforceable, allowable or allowed as a claim in such proceeding);

(c) discharge or cash collateralization at the lower of (i) 103% of the aggregate undrawn amount and (ii) the percentage of the aggregate undrawn amount required for release of Liens under the terms of any Senior Credit Facility in respect thereof of all outstanding letters of credit constituting Excess First-Out Obligations; and

(d) payment in full in cash of all other Excess First-Out Obligations (other than any obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at or prior to such time) that are outstanding and unpaid at the time that each of the events described in clauses (a), (b) and (c) above shall have occurred.

"Discharge of First-Out Obligations" means, subject to Section 7.16, the occurrence of all of the following:

(a) termination or expiration of all commitments to extend credit that would constitute First-Out Obligations (other than Excess First-Out Obligations);

(b) payment in full in cash of the principal of, interest and premium (if any) on and all fees in respect of all First-Out Obligations (other than Excess First-Out Obligations) (including all interest, fees and expenses accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, specified in the First-Out Documents, even if such interest, fee or expense is not enforceable, allowable or allowed as a claim in such proceeding);

(c) discharge or cash collateralization at the lower of (i) 103% of the aggregate undrawn amount; and (ii) the percentage of the aggregate undrawn amount required for release of Liens under the terms of the Senior Credit Facility in respect thereof of all outstanding letters of credit constituting First-Out Obligations (other than Excess First-Out Obligations);

(d) (i) payment in full in cash of all First-Out Hedging Obligations and the termination of all First-Out Hedging Agreements relating thereto, (ii) the payment in full of all amounts required to be paid to effect a novation of all First-Out Hedging Obligations (and the novation of all such obligations) to counterparties acceptable to the applicable First-Out Hedging Counterparty, or (iii) the establishment of other arrangements with respect to such First-Out Hedging Obligations as may be acceptable to the applicable First-Out Hedging Counterparty (and communicated to the Collateral Agent)); and

(e) payment in full in cash of all other First-Out Obligations (other than Excess First-Out Obligations and any obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at or prior to such time) that are outstanding and unpaid at the time that each of the events described in clauses (a), (b), (c) and (d) above shall have occurred;

provided that, if, at any time after the Discharge of First-Out Obligations has occurred, the Company or any other Grantor enters into any First-Out Document evidencing a First-Out Obligation which incurrence is not prohibited by the applicable First Lien Documents, then such Discharge of First-Out Obligations shall automatically be deemed not to have occurred for all purposes hereof with respect to such new First-Out Obligations (other than with respect to any actions previously taken as a result of the occurrence of such first Discharge of First-Out Obligations), and, from and after the date on which the Company designates such Indebtedness as First-Out Obligations, the obligations under such First-Out Document shall automatically and without any further action be treated as First-Out Obligations for all purposes hereof, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein and any Term Obligations shall be deemed to have been at all times Term Obligations and at no time First-Out Obligations.

"Discharge of First Lien Obligations" means, subject to Section 7.16, the occurrence of the Discharge of First-Out Obligations, the Discharge of Term Obligations and the Discharge of Excess First-Out Obligations.

"Discharge of Term Obligations" means, subject to Section 7.16, the occurrence of all of the following:

(a) termination or expiration of all commitments to extend credit that would constitute Term Obligations;

(b) payment in full in cash of the principal of and interest and premium (if any) on all Term Obligations (including all interest, fees, premium (including the Make-Whole Amount and Premium, as such terms are defined in the Term Loan Agreement) and expenses accrued or payable thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, specified in the Term Loan Documents, even if such interest, fee, premium or expense is not enforceable, allowable or allowed as a claim in such proceeding); and

(c) payment in full in cash of all other Term Obligations (other than any obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no claim or demand for payment has been made at or prior to such time) that are outstanding and unpaid at the time that each of the events described in clauses (a) and (b) above shall have occurred;

provided that, if, at any time after the Discharge of Term Obligations has occurred, the Company or any other Grantor enters into any Term Loan Document evidencing a Term Obligation which incurrence is not prohibited by the applicable First Lien Documents, then such Discharge of Term Obligations shall automatically be deemed not to have occurred for all purposes hereof with respect to such new Term Obligations (other than with respect to any actions previously taken as a result of the occurrence of such first Discharge of Term Obligations), and, from and after the date on which the Company designates such Indebtedness as Term Obligations in accordance herewith, the obligations under such Term Loan Document shall automatically and without any further action be treated as Term Obligations for all purposes hereof, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein.

"Enforcement Action" means (a) the taking of any action to enforce any Lien in respect of the Collateral, including the institution of any foreclosure proceedings, the noticing of any public or private sale or other disposition under the Bankruptcy Code or any attempt to vacate or obtain relief from a stay or other injunction restricting any other action described in this definition, (b) the exercise of any right or remedy provided to a secured creditor on account of a Lien under the First Lien Documents (including, in either case, any delivery of any notice to seek to obtain payment directly from any account debtor of the Company or any other Grantor or the taking of any action or the exercise of any right or remedy in respect of the setoff or recoupment against, collection or foreclosure on or marshalling of the Collateral or proceeds of Collateral), under applicable law, at equity, in an Insolvency or Liquidation Proceeding or otherwise, including the acceptance of Collateral in full or partial satisfaction of a Lien, (c) the sale, assignment, transfer, lease, license, or other disposition as a secured creditor on account of a Lien of all or any portion of the Collateral, by private or public sale (judicial or non-judicial) or any other means, (d) the solicitation of bids from third parties to conduct the liquidation of all or a portion of Collateral as a secured creditor on account of a Lien, (e) the exercise of any other enforcement right relating to the Collateral (including the exercise of any voting rights relating to any capital stock comprising a portion of the Collateral and the exercise of rights under any deposit account control agreement) whether under the First Lien Documents, under applicable law of any jurisdiction, in equity, in an Insolvency or Liquidation Proceeding, or otherwise, or (f) the appointment of a receiver, manager or interim receiver of all or any portion of the Collateral or the commencement of, or the joinder with any creditor in commencing, any Insolvency or Liquidation Proceeding against the Company or any other Grantor or any assets of the Company or any other Grantor; *provided* that the exercise of any netting or setoff rights, acceleration, termination, liquidation, novation, declaration of defaults or termination events, in each case by a First-Out Hedging Counterparty in connection with their First-Out Hedging Agreements or First-Out Cash Management Counterparty in connection with their First-Out Cash Management Agreements shall not be an Enforcement Action.

"Excess First-Out Obligations" means (a) the aggregate principal amount of all indebtedness outstanding at any time under the Senior Credit Facility (with outstanding letters of credit being deemed to have a principal amount equal to the stated amount thereof, and other than First-Out Hedging Obligations and First-Out Cash Management Obligations) in excess of the First-Out Principal Cap, that, but for having been incurred in aggregate principal in excess of the First-Out Principal Cap, would have constituted First-Out Obligations, and (b) all interest, fees or premiums payable on the amount set forth in clause (a).

"First Lien" means a first priority Lien (subject in priority only to Permitted Prior Liens) granted by the any Grantor in favor of the Collateral Agent pursuant to a Security Document, at any time, upon any property of the Company or such Grantor to secure First Lien Obligations.

"First Lien Debt" means, collectively, First-Out Debt (including Excess First-Out Obligations) and Term Debt.

"First Lien Debt Default" means any "Event of Default" under any First Lien Document or any similar event or condition (with or without the giving of notice and whether or not notice has been given) which, under the terms of any First Lien Document, in each case after giving effect to any applicable grace periods, causes (or permits holders of First Lien Debt outstanding thereunder to cause) the First Lien Debt outstanding thereunder to become immediately due and payable, or, in the case of any Hedging Obligation secured by a First Lien, permits the counterparty thereto to close out or terminate such Hedging Obligation.

"First Lien Documents" means, collectively, the Term Loan Documents and the First-Out Documents.

"First Lien Obligations" means, collectively, Term Obligations and First-Out Obligations.

"First-Out Cash Management Arrangements" means a Cash Management Arrangement with a First-Out Cash Management Counterparty which creates First-Out Cash Management Obligations.

"First-Out Cash Management Counterparty" has the meaning set forth in the definition of "First-Out Cash Management Obligations".

"First-Out Cash Management Obligations" means, subject to Section 2.5, all Cash Management Obligations owing by the Company or any Restricted Subsidiary to the Collateral Agent or any Qualified Cash Management Counterparty (each such Person, a "First-Out Cash Management Counterparty"); provided that, in each case, such Cash Management Obligations are permitted (or not prohibited) to be incurred and secured by a First Lien and constitute a First-Out Secured Party under the terms of each First Lien Document.

"First-Out Debt" means (a) Senior Hedging Obligations, (b) Indebtedness under any Senior Credit Facility (including the undrawn amount of letters of credit whether or not then available to be drawn) including any guarantees thereof, (c) First-Out Cash Management Obligations and (d) other First-Out Hedging Obligations; provided, in the case of any Senior Credit Facility or First-Out Hedging Obligations (other than the Senior Hedging Obligations or hedge obligations included as a secured obligation under any Senior Credit Facility constituting First-Out Debt), that:

(i) such Indebtedness is designated by the Company pursuant to an Additional First-Out Debt Designation, as "First-Out Debt" in accordance with Section 3.8(b);

(ii) the First-Out Holder of such Indebtedness (or agent or representative on behalf of such First-Out Holders) executes and delivers to the Collateral Agent a Collateral Agency Joinder on behalf of itself and, if an agent or representative for First-Out Holders, all secured parties in respect of such Indebtedness;

(iii) all requirements set forth in this Agreement as to the confirmation, grant or perfection of the Collateral Agent's Lien to secure such Indebtedness are satisfied; and

(iv) such Indebtedness is *pari passu* in right of payment with each other Series of First Lien Debt (it being understood that there may be different Series of First-Out Debt with different maturities and amortization profiles, but the principal amount of Indebtedness under all such Series must be *pari passu* in right of payment) and such Indebtedness does not have any rights senior or junior to any other Series of First-Out Debt with respect to the application of proceeds from Collateral other than as provided herein.

"First-Out Documents" means, collectively, each document executed and delivered in connection with the Senior Hedging Obligations, any documentation in respect of any Senior Credit Facility, each additional First-Out Hedging Agreement, each First-Out Cash Management Arrangement, and each other document, agreement, guarantee or instrument delivered or made pursuant to the terms thereof and related thereto.

"First-Out Hedging Agreements" means a Hedging Agreement with a First-Out Hedging Counterparty giving rise to any First-Out Hedging Obligations, including the Senior Hedging Agreements.

"First-Out Hedging Counterparty" means any Qualified Hedging Counterparty.

"First-Out Hedging Obligations" means (a) all Senior Hedging Obligations and (b) all other Hedging Obligations included as secured obligations under the Senior Credit Facility or otherwise owed by the Company to any First-Out Hedging Counterparty; provided that such Hedging Obligations in clause (b) are permitted (or not prohibited) to be incurred and secured by a First Lien and constitute a First-Out Obligation under the terms of each First Lien Document. All Hedging Obligations arising or existing under any Hedging Agreement entered into with (i) a First-Out Hedging Counterparty in effect on the date hereof shall constitute First-Out Hedging Obligations and (ii) a Senior Hedging Party, shall constitute First-Out Hedging Obligations.

"First-Out Holder" means each First-Out Lender and each First-Out Hedging Counterparty.

"First-Out Lender" means each "Lender" (or equivalent term) as defined in the Senior Credit Facility.

"First-Out Obligations" means the First-Out Debt and all other "obligations" (or equivalent term) as defined in the applicable First-Out Documents.

"First-Out Principal Cap" means, as of any date, $100,000,000.

"First-Out Representative" means as of (a) the Closing Date, Mercuria Energy Trading SA and (b) upon execution by the Company of a Senior Credit Facility, the Senior Credit Facility Agent shall become the First-Out Representative without the requirement of any action of the Required First-Out Debtholders (provided such Senior Credit Facility Agent executes and delivers a Collateral Agency Joinder in accordance herewith for such Series of First-Out Debt); provided, that notwithstanding the above, at any time the First-Out Representative shall be that Person designated by an action of the Required First-Out Debtholders.

"First-Out Secured Party" means each holder of a First-Out Obligation, including the First-Out Representative and the Senior Credit Facility Agent.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, administrative tribunal, central bank or other entity, exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Grantor" means each of, and "Grantors" means, collectively, (a) each Person signatory hereto as a "Grantor" on the date hereof and (b) any other Person (if any) that at any time provides collateral security for any First Lien Obligations (including, a Person that executes and delivers a Collateral Agency Joinder in accordance with Section 7.14).

"Hedging Agreements" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, 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, Commodity Hedge Agreements, 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, in each case, to the extent permitted under the Credit Agreements.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person incurred under Hedging Agreements in the ordinary course of business and not for speculative purposes.

"Indebtedness" has the meaning assigned to such term in the Credit Agreements or to such term or other similar term in any applicable First Lien Document as context requires.

"Insolvency or Liquidation Proceeding" means:

(a) any case or proceeding commenced by or against the Company or any other Grantor under the Bankruptcy Code or any other Bankruptcy Law, any other case or proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Company or any other Grantor, any receivership or assignment for the benefit of creditors relating to the Company or any other Grantor or any similar case or proceeding relative to the Company or any other Grantor or its creditors, as such, in each case whether or not voluntary;

(b) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Company or any other Grantor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or

(c) any other case or proceeding of any type or nature in which substantially all claims of creditors of the Company or any other Grantor are determined and any payment or distribution is or may be made on account of such claims.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents, orders, decrees, injunctions 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.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any capitalized lease having substantially the same economic effect as any of the foregoing).

"Master Agreement" has the meaning specified in the definition of "Hedging Agreements."

"Mortgage" has the meaning set forth in Section 3.8(d)(i).

"Mortgaged Property" has the meaning set forth in Section 3.8(d)(i).

"Non-Recourse Persons" has the meaning set forth in Section 7.21.

"Obligations" means the obligations to pay any principal (including reimbursement obligations and obligations to provide cash collateral with respect to letters of credit whether or not drawn), interest (including all interest, fees and expenses accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate even if such interest, fee or expense is not enforceable, allowable or allowed as a claim in such proceeding), premium (if any), penalties, fees, charges, expenses, indemnifications, reimbursements, damages, guarantees and other liabilities or amounts payable under the documentation governing any Indebtedness or in respect thereto.

"Officer's Certificate" means a certificate signed by an officer of Company, including:

(a) a statement that the Person executing such certificate has read the applicable covenant(s) or condition(s);

(b) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant(s) or condition(s) has been satisfied; and

(c) a statement as to whether or not, in the opinion of such Person, such condition(s) or covenant(s) has been satisfied.

"Permitted Prior Liens" means Liens described in the Credit Agreements as not prohibited (or permitted) from having priority over the First Liens and that are similarly not prohibited under any other First Lien Document.

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

"Plan of Reorganization" means any plan of reorganization, plan of liquidation, agreement for composition, or other dispositive type of plan of arrangement proposed in or in connection with any Insolvency or Liquidation Proceeding.

"Purchase Price" has the meaning set forth in Section 2.5(b).

"Purchase Triggering Event" has the meaning set forth in Section 2.5(a).

"Qualified Cash Management Counterparty" means (a) the Senior Credit Facility Agent or any other First-Out Representative or any of their respective Affiliates, and (b) any Person that is or was a First-Out Lender under any Senior Credit Facility or any Affiliate of such First-Out Lender, in each case, at the time the applicable Cash Management Arrangements were entered into.

"Qualified Hedging Counterparty" means (a) the Senior Hedging Parties, (b) the Senior Credit Facility Agent or any other First-Out Representative or any of their respective Affiliates, (c) any Person that is or was a First-Out Lender under the Senior Credit Facility or any Affiliate of such First-Out Lender, in each case, at the time the applicable Hedging Agreement(s) were entered into, and (d) any other Person whose short-term issuer credit rating at the time of entering into the Hedging Agreement is A-1 or higher by S&P Global Ratings or whose senior unsecured long-term debt obligations at the time of entering into the Hedging Agreement are rated A+ or higher by S&P Global Ratings or, in each case, an equivalent rating by another internationally recognized statistical rating organization of similar standing (or whose obligations under the Hedging Agreement are guaranteed by another Person satisfying the foregoing ratings criteria).

"Reaffirmation Agreement" means an agreement reaffirming the security interests granted to the Collateral Agent under the Security Documents in substantially the form attached as Exhibit 1 to Exhibit A of this Agreement.

"Representative" means (a) in the case of the Term Loan Agreement, the Term Representative, (b) in the case of First-Out Obligations, the First-Out Representative.

"Required First-Out Debtholders" means the First-Out Holders holding a majority (subject to any voting restrictions contained in the applicable First-Out Documents for "defaulting lenders" and other lenders that are not entitled to vote) of the sum of the aggregate principal amount of First-Out Debt (including the net termination amount (which shall not be less than zero) of First-Out Hedging Obligations or accrued First-Out Cash Management Obligations but excluding loans under any Senior Credit Facility that constitute Excess First-Out Obligations) outstanding and of commitments with respect thereto, if any, plus the net termination amount (which shall not be less than zero) then payable (or that would be payable) by the Company or any Subsidiary of the Company to the First-Out Hedging Counterparties upon termination of all First-Out Hedging Agreements.

"Required First Lien Debtholders" means, collectively, the Required Term Debtholders and the Required First-Out Debtholders.

"Required Term Debtholders" means the holders of a majority (subject to any voting restrictions contained in the applicable Term Loan Documents for "defaulting lenders" and other lenders that are not entitled to vote) of the aggregate principal amount of Term Debt outstanding and of commitments with respect thereto, if any.

"Responsible Officer" means the chief executive officer, president, executive vice president, vice president, chief financial officer, chief legal officer of the Company or any other Grantor. Any document delivered hereunder that is signed by a Responsible Officer of the Company or any other Grantor shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

"Secured Party" means each holder of First Lien Obligations, the Collateral Agent and each Representative.

"Security Agreement" means that certain Guarantee and Security Agreement, dated as of the date hereof, among the Company, the other Grantors from time to time party thereto and the Collateral Agent (as may be amended, amended and restated, supplemented or otherwise modified from time to time).

"Security Documents" means this Agreement, the Security Agreement, each Collateral Agency Joinder and all security agreements, pledge agreements, collateral assignments, mortgages, deeds of trust, control agreements, any intellectual property security agreements or other similar agreement, or other grants or transfers for security executed and delivered by the Company or any other Grantor creating (or purporting to create) a First Lien upon Collateral in favor of the Collateral Agent, for the benefit of any of the Secured Parties, in each case, as amended, modified, renewed, restated or replaced, in whole or in part, from time to time, in accordance with its terms and Section 7.1.

"Senior Credit Facility" means a revolving credit facility and each other revolving credit facility that refunds, refinances or replaces such revolving credit facility; provided, that, in each case, (a) the aggregate principal amount of Indebtedness of borrowings and letters of credit thereunder does not exceed $100,000,000 at any time outstanding, (b) at all times one or more Commercial Lending Institutions hold not less than a majority of the commitments thereunder and (c) the agent thereunder, on behalf of itself and each lender or other secured party thereunder, has executed and delivered a Collateral Agency Joinder and such other documents required pursuant to the terms hereof.

"Senior Credit Facility Agent" means, with respect to any Senior Credit Facility, the administrative agent under such Senior Credit Facility, and each successor thereto designated in accordance with the terms thereof.

"Senior Hedging Obligations" means Hedging Obligations incurred under Hedging Agreements (whether now existing or hereafter entered into) with any Senior Hedging Parties.

"Senior Hedging Parties" means each of those parties to a Hedging Agreement with any Loan Party on the date hereof and a party to this Agreement, including each of Macquarie Bank Limited, Mercuria Energy Trading SA and Wells Fargo Bank, N.A.

"Series of First-Out Debt" means, severally, each of (a) the obligations arising under any Senior Credit Facility, (b) the obligations arising under the First-Out Hedging Agreements executed with any First-Out Hedging Counterparty, and (c) the obligations under the First-Out Cash Management Arrangements; provided obligations arising under any Hedging Agreement or Cash Management Arrangement and characterized as "Obligations" (or equivalent term) under a Series of First-Out Debt shall be considered to be part of the same series as such Series of First-Out Debt.

"Series of First Lien Debt" means, severally, the Term Debt and the First-Out Debt.

"Shifting Control Date" means the date upon which (a) the acceleration of any First-Out Debt has occurred and is continuing and (b) the First-Out Representative, at the direction of the Required First-Out Debtholders, delivers written notice to the Collateral Agent (in accordance with Section 7.6 and specifying both the first day and the last day of the corresponding Standstill Period) that (1) the conditions under clause (a) have been met, (2) the Standstill Period has expired and (3) the Required First-Out Debtholders wish to commence or continue an Enforcement Action pursuant to the terms hereof.

"Standstill Period" means the period of 180 consecutive days commencing on the date on which the Term Representative delivers a notice to the First-Out Representative that the acceleration of any First Lien Debt has occurred and is continuing; provided that such period shall be extended so long as the Term Representative (as directed by an action of the Required Term Debtholders) has instructed (or shall be seeking relief from any stay or other prohibition in any Insolvency or Liquidation Proceeding otherwise precluding the Term Representative from instructing) the Collateral Agent to commence an Enforcement Action under the terms of this Agreement, and the Collateral Agent (acting at the written direction of the Term Representative as the then Controlling Representative) is diligently pursuing (or shall be seeking relief from any stay or other prohibition in any Insolvency or Liquidation Proceeding otherwise precluding the Collateral Agent from so diligently pursuing) an Enforcement Action against Collateral.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which (a) a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, (b) more than half of the issued share capital is at the time beneficially owned, or (c) 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 Company.

"Term Debt" means Indebtedness in respect of the Term Loan Agreement, including the "Loans" and other "Obligations" thereunder as defined in the Term Loan Agreement.

"Term Loan Documents" means, collectively, the Term Loan Agreement and any agreement, instrument, or arrangement pursuant to which any other Term Debt is incurred, guaranteed and/or secured in accordance with the terms of each applicable First Lien Document and the Security Documents related thereto (other than any Security Documents that do not secure Term Obligations).

"Term Lender" means each "Lender" (or equivalent term, including any noteholder or bondholder, as applicable) as defined in the Term Loan Agreement.

"Term Loan Agreement" means that certain Credit Agreement, dated as of September 12, 2023 among the Company, the lenders party thereto, Texas Capital, as administrative agent, and Chambers Energy, as the collateral agent, as amended, modified, supplemented or restated or otherwise modified from time to time, including by or pursuant to any agreement or instrument that extends the maturity of any Indebtedness thereunder, or increases the amount of available borrowings thereunder or adds Subsidiaries of the Company as additional borrowers or guarantors thereunder, in each case with respect to such agreement or any successor or replacement agreement and whether by the same or any other agent, lender, noteholder or any group of any of the foregoing.

"Term Obligations" means, the Term Debt and all other Obligations (as defined in the applicable Term Loan Documents) in respect thereof.

"Term Representative" means Chambers Energy, in its capacity as collateral agent under the Term Loan Agreement, and each successor thereto designated in accordance with the terms of the Term Loan Agreement.

"Term Secured Parties" means each holder of a Term Obligation, including each Term Representative and the Collateral Agent.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

Section 1.2 Rules of Interpretation.

(a) All capitalized terms used in this Agreement and not otherwise defined herein have the meanings assigned to them in the Credit Agreements as in effect on the date hereof.

(b) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(c) The words "herein," "hereto," "hereof" and "hereunder" and words of similar import when used in this Agreement or any other Security Document shall refer to such Security Document as a whole and not to any particular provision thereof.

(d) Article, Section, Exhibit and Schedule references are to references to Articles, Sections, Exhibits and Schedules in this Agreement unless otherwise provided.

(e) The term "including" is by way of example and not limitation.

(f) The term "documents" includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(g) 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."

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

(i) Unless otherwise expressly provided herein, (i) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments, restatements, amendments and restatements, extensions, supplements and other modifications thereto and (ii) references to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting such Law.

(j) This Agreement and the other Security Documents will be construed without regard to the identity of the party who drafted it and as though the parties participated equally in drafting it. Consequently, each of the parties acknowledges and agrees that any rule of construction that a document is to be construed against the drafting party will not be applicable either to this Agreement or the other Security Documents.

ARTICLE 2
FIRST LIEN DEBT

Section 2.1 First Lien Debt. To secure the payment of the First Lien Obligations and in consideration of the premises and the mutual agreements set forth herein, each of the Grantors, each Representative and each other Secured Party hereby grants, and confirms the grant of, Liens in favor of the Collateral Agent, and the Collateral Agent hereby accepts and agrees to hold, under this Agreement for the benefit of all current and future Secured Parties, on all of such Grantor's right, title and interest in, to and under all Collateral and on all Liens now or hereafter granted to the Collateral Agent by each Grantor under any Security Document for the benefit of the Secured Parties, together with all of the Collateral Agent's right, title and interest in, to and under the Security Documents, and all interests, rights, powers and remedies of the Collateral Agent thereunder or in respect thereof and all cash and non-cash proceeds thereof (collectively, the "Collateral Estate").

The Collateral Agent and its successors and assigns under this Agreement will hold the Collateral Estate for the benefit solely and exclusively of all current and future Secured Parties as security for the payment of all present and future First Lien Obligations.

Notwithstanding the foregoing, if at any time:

(a) the Discharge of First Lien Obligations has occurred;

(b) no monetary obligation (other than indemnification and other contingent obligations not then due and payable and letters of credit that have been cash collateralized at 103% of the aggregate undrawn amount) is outstanding and payable under this Agreement to the Collateral Agent or any of its agents (whether in an individual or representative capacity)

(c) the Collateral Agent holds no other property as part of the Collateral Estate;

(d) all Liens securing the First Lien Obligations have been released as provided in Section 4.1; and

(e) the Company delivers to the Collateral Agent an Officer's Certificate stating that all Liens of the Collateral Agent have been released in compliance with all applicable provisions of the First Lien Documents and that the Grantors are not required by any First Lien Document to grant any Lien upon any property,

then this Agreement and the Collateral Estate arising hereunder will terminate (subject to any reinstatement pursuant to Section 7.16, except that all provisions under any First Lien Documents that are expressly stated to survive termination of any First Lien Obligations that are enforceable by the Collateral Agent or any of its co-trustees or agents (whether in an individual or representative capacity) will remain enforceable in accordance with their terms.

The parties further declare and covenant that the Collateral Estate will be held and distributed by the Collateral Agent subject to the further agreements herein.

Section 2.2 Collateral Shared Equally and Ratably. The parties to this Agreement agree that the payment and satisfaction of all of the First Lien Obligations will be secured equally and ratably by the First Lien established in favor of the Collateral Agent for the benefit of the Secured Parties, notwithstanding the time of incurrence of any First Lien Obligations (including any First Lien Obligations arising from guarantees) or time or method of creation or perfection of any First Liens securing such First Lien Obligations and notwithstanding any provision of the UCC or any other applicable law or any defect or deficiencies in, or failure to perfect or lapse in perfection of, or avoidance as a fraudulent conveyance or otherwise of, the Liens securing the First Lien Obligations or any other circumstance whatsoever, whether or not any Insolvency or Liquidation Proceeding has been commenced against the Company or any other Grantor. It is the intent of the parties hereto that all First Lien Obligations will be and are secured equally and ratably by all First Liens at any time granted by the Company or any other Grantor to secure any First Lien Obligations, whether or not upon property otherwise constituting collateral for such First Lien Obligations, and that all such First Liens will be enforceable by the Collateral Agent for the benefit of all Secured Parties equally and ratably.

Section 2.3 Similar Collateral and Agreements.

(a) Except as otherwise set forth herein, the parties to this Agreement agree that it is their intention that the Collateral securing the First Lien Obligations be identical as to each Series of First Lien Debt. In furtherance of the foregoing, the parties hereto agree that all First Lien Obligations shall be secured by the same set of Security Documents granting liens and security interests in favor of the Collateral Agent, for the benefit of the Secured Parties.

(b) Notwithstanding anything herein or in any Security Document to the contrary, prior to any Enforcement Action or Insolvency or Liquidation Proceeding (i) funds deposited for the satisfaction, discharge, redemption or defeasance of any Series of First Lien Debt shall be solely for the benefit of the applicable Secured Parties and (ii) cash collateral deposited with any Representative or Secured Party or other support provided in respect of letters of credit under the Senior Credit Facility, First-Out Hedging Obligations or First-Out Cash Management Obligations, in each case, which are secured under the applicable First Lien Documents, shall be solely for the benefit of the Secured Party holding such cash collateral or other support.

Section 2.4 Insolvency Matters.

(a) If any Grantor shall become subject to an Insolvency or Liquidation Proceeding under the Bankruptcy Code or other applicable Bankruptcy Law and shall, as debtor(s)-in-possession, move for approval of a DIP Financing under Section 364 of the Bankruptcy Code (or any similar provision of any other Bankruptcy Law) to be provided by one or more lenders (the "DIP Lenders") and/or the use of cash or other collateral under Section 363 of the Bankruptcy Code (or any similar provision of any other Bankruptcy Law), each Secured Party agrees that it will not raise any objection to any such financing or to the Liens on the Collateral securing the same ("DIP Financing Liens") or to any use of cash or other collateral or to grant of any administrative expense priority under Section 364 of the Bankruptcy Code (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such Collateral, each Secured Party will subordinate its Liens with respect to such Collateral (other than any Liens of any Secured Parties constituting DIP Financing Liens and customary trustee and professional fee carve-outs), and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such Collateral granted to secure First Lien Obligations, each Secured Party will confirm the priorities with respect to such Collateral as set forth herein); provided, in each case, that:

(A) all DIP Lenders are then-current First-Out Lenders and/or Term Lenders;

(B) the maximum principal amount of Indebtedness permitted under such DIP Financing does not exceed $25,000,000;

(C) the Secured Parties retain the benefit of their Liens on all such Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority *vis*-à-*vis* all the other Secured Parties (other than any Liens of the Secured Parties constituting new-money DIP Financing Liens and customary trustee and professional fee carve-outs) as existed prior to the commencement of such Insolvency or Liquidation Proceeding;

(D) the Secured Parties are granted Liens on any additional or replacement collateral pledged to any Secured Parties as adequate protection or otherwise in connection with such DIP Financing and/or use of cash or other collateral, with the same priority vis-à-vis all other Secured Parties as set forth in this Agreement (other than any Liens of any Secured Parties constituting new-money DIP Financing Liens);

(E) if any amount of such DIP Financing and/or cash or other collateral is applied to repay any of the First Lien Obligations, such amount is applied pursuant to Section 3.4;

(F) if any Secured Parties are granted adequate protection with respect to the First Lien Obligations subject hereto, including in the form of periodic payments, in connection with such use of cash or other collateral and/or DIP Financing, all other Secured Parties shall be granted adequate protection on the same basis (provided the proceeds of such adequate protection will be applied pursuant to Section 3.4);

(G) the terms of such DIP Financing do not provide for the sale of a substantial part of the Collateral or require the confirmation of a plan of reorganization containing specific terms or provisions (other than repayment in cash of such DIP Financing on the effective date thereof); provided, that the Secured Parties of each Series of First Lien Debt shall have a right to object to the grant of a Lien to secure the DIP Financing over any property or assets subject to Liens in favor of the Secured Parties of such Series of First Lien Debt or its Representative of the type described in Section 2.3(b); and

(H) (i) for the 30-day period beginning on the date the Company first solicits proposals for any DIP Financing, the First-Out Lenders shall have the exclusive right to propose a DIP Financing, and (ii) thereafter, if no First-Out Lender has delivered a DIP Financing proposal to the Company or the Company has rejected all such proposals, then the Term Lenders shall be permitted to offer and to provide DIP Financing so long as such DIP Financing does not include any provisions for "roll up", repayment or refinancing of Term Obligations, or any extension of Liens or administrative claims for the benefit of the Term Obligations that are not subject to the provisions hereof with respect to the liens for the benefit of the First-Out Obligations, or other forms of cross-collateralization with respect to the Term Obligations and shall expressly provide that the First-Out Obligations shall receive similar treatment.

(b) The Secured Parties receiving adequate protection shall not object to any other Secured Parties receiving adequate protection to the extent they are granted comparable adequate protection in connection with a DIP Financing and/or use of cash or other collateral. Any cash or other collateral provided to repay any of the First Lien Obligations shall be applied as provided in Section 3.4.

(c) Each Representative, for itself and on behalf of each other Secured Party waives any claim that may be had against either Representative or any other Secured Party arising out of any DIP Financing Liens or administrative expense priority under Section 364 of the Bankruptcy Code (in each case that is granted in a manner that is not prohibited by this Agreement).

(d) None of the Term Representative or any other Secured Party shall oppose or seek to challenge any claim by any Secured Party for allowance in any Insolvency or Liquidation Proceeding of First Lien Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien of the Collateral Agent.

(e) None of any Term Representative or any other Secured Party (whether in the capacity of a secured creditor or an unsecured creditor) shall propose, vote in favor of, or otherwise directly or indirectly support any Plan of Reorganization that is inconsistent with or in violation of the priorities or other provisions of this Agreement, other than with the prior written consent of the First-Out Representative or to the extent any such plan is proposed or supported by the number of First-Out Secured Parties required for First-Out Secured Parties' class to be an accepting class under section 1126(c) of the Bankruptcy Code without taking into consideration any votes in that class on account of claims that are not First-Out Obligations. Furthermore, none of any Term Representative or any other Term Secured Party (whether in the capacity of a secured creditor or an unsecured creditor) shall object to or contest (or support any other party in objection or contesting) a Plan of Reorganization or other dispositive restructuring plan on the grounds that the First-Out Obligations and Term Obligations are classified separately so long as such plan are not inconsistent with or in violation of the priorities or other provisions of this Agreement.

(f) The Collateral Agent (on behalf of the First-Out Secured Parties) and the First-Out Representative, for itself and on behalf of the First-Out Secured Parties, and the Collateral Agent (on behalf of the Term Secured Parties) and the Term Representative for itself and on behalf of the Term Secured Parties, acknowledges and agrees that because of, among other things, their differing rights to payment of the proceeds of the Collateral, the First-Out Obligations are fundamentally different from the Term Obligations, are not substantially similar to the Term Obligations within the meaning of Bankruptcy Code Section 1122(a), and must be separately classified in any Plan of Reorganization proposed, confirmed, or adopted in an Insolvency or Liquidation Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First-Out Secured Parties and the claims of the other Term Secured Parties who are not First-Out Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of secured claims), then each of the parties hereto hereby acknowledges and agrees that all distributions shall be made as if there were separate classes of secured claims against the Grantors in respect of the Collateral (for this purpose ignoring all claims held by the Term Secured Parties who are not First-Out Secured Parties) and the First-Out Secured Parties shall be entitled to receive, in addition to amounts distributed to them from, or in respect of, the Collateral in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, costs, expenses, premiums, and other charges, irrespective of whether a claim for such amounts is allowed or allowable in such Insolvency or Liquidation Proceeding, before any distribution from, or in respect of, any Collateral is made in respect of the claims held by the Term Secured Parties who are not First-Out Secured Parties, with the Collateral Agent (on behalf of the Term Secured Parties who are not First-Out Secured Parties) and the Term Secured Parties who are not First-Out Secured Parties acknowledging and agreeing to turn over to the First-Out Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this clause (e), even if such turnover has the effect of reducing or eliminating the claim or recovery of the Term Secured Parties who are not First-Out Secured Parties.

(g) The Secured Parties irrevocably agree that this Agreement (including the provisions of Section 3.4) constitutes a "subordination agreement" within the meaning of Section 510(a) of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law.

(h) If, in any Insolvency or Liquidation Proceeding, debt obligations of the reorganized debtor secured by Liens upon any property of the reorganized debtor are distributed pursuant to a Plan of Reorganization, both on account of First-Out Obligations and on account of Term Obligations, then, the provisions of this Agreement will survive such distribution and will apply with like effect to the Liens securing such debt obligations.

Section 2.5 Purchase Right.

(a) Without prejudice to the enforcement of any of the First-Out Secured Parties' remedies under the First-Out Documents, this Agreement, at law or in equity or otherwise, the First-Out Secured Parties agree that at any time following the earliest to occur of (i) an acceleration of any of the First-Out Obligations in accordance with the terms of the applicable First-Out Documents, (ii) a payment default under any First-Out Document that has not been cured or waived by the applicable First-Out Secured Parties within 60 days of the occurrence thereof or (iii) the commencement of any Insolvency or Liquidation Proceeding with respect to any Grantor (any of clauses (i), (ii) or (iii), a "Purchase Triggering Event"), the First-Out Representative will send written notice of a Purchase Triggering Event to the Term Representative. Upon the Term Representative's receipt of such written notice, the Term Secured Parties shall have 15 days to irrevocably offer to the First-Out Secured Parties to purchase the entire aggregate amount (but not less than the entirety) of outstanding First-Out Obligations (including unfunded commitments under any First-Out Document that have not been terminated at such time, but for the avoidance of doubt excluding any Excess First-Out Obligations) at the Purchase Price without warranty or representation or recourse except as provided in Section 2.5(d), on a *pro rata* basis among the First-Out Secured Parties, which offer may be made by less than all of the Term Secured Parties so long as all the accepting Term Secured Parties shall when taken together purchase such entire aggregate amount as set forth above.

(b) The "Purchase Price" will equal the sum of (1) the full amount of all First-Out Obligations then-outstanding and unpaid at par (including principal, accrued but unpaid interest, fees and expenses and any other unpaid amounts, including breakage costs, but excluding any prepayment penalties or premiums and excluding for the avoidance of doubt any Excess First-Out Obligations), (2) the cash collateral to be furnished to the First-Out Secured Parties providing letters of credit under the First-Out Documents in such amount (not to exceed the lower of (x) 103% of the aggregate undrawn amount and (y) the percentage of the aggregate undrawn amount required for release of Liens under the terms of the First-Out Documents) as such First-Out Secured Parties determine is reasonably necessary to secure such First-Out Secured Parties in connection with any such outstanding and undrawn letters of credit, (3) in the case of First-Out Hedging Obligations, the Term Secured Parties shall cause the applicable First-Out Hedging Agreements to be assigned and novated or, if such agreements have been terminated, such purchase price shall include an amount equal to the sum of any unpaid amounts then due in respect of such Hedging Obligations, after giving effect to any netting arrangements and (4) all accrued and unpaid fees, expenses and other amounts (including attorneys' fees and expenses, but excluding Excess First-Out Obligations) owed to the First-Out Secured Parties under or pursuant to the First-Out Documents on the date of purchase.

(c) If the Term Secured Parties make such offer within 15 days of the Term Representative's receipt written notice of a Purchase Triggering Event, the parties shall endeavor to close promptly thereafter pursuant to documentation mutually acceptable to each of the Representatives. If the Term Secured Parties do not offer to purchase the outstanding First-Out Obligations in accordance with Section 2.5(a) before the expiration of the 15-day period, the First-Out Secured Parties shall have no further obligations pursuant to this Section 2.5 and may take any further actions in their sole discretion in accordance with the First-Out Documents and this Agreement. Each First-Out Secured Party will retain all rights to indemnification provided in the relevant First-Out Documents for all claims and other amounts relating to periods prior to the purchase of the First-Out Obligations pursuant to this Section 2.5, in each case, if any.

(d) The purchase and sale of the First-Out Obligations under this Section 2.5 will be without recourse and without representation or warranty of any kind by the First-Out Secured Parties, except that the First-Out Secured Parties shall severally and not jointly represent and warrant to the Term Secured Parties that on the date of such purchase, immediately before giving effect to the purchase;

(i) the principal of and accrued and unpaid interest on the First-Out Obligations (other than Excess First-Out Obligations), and the fees and expenses thereof owed to the respective First-Out Secured Parties, are as stated in any assignment agreement prepared in connection with the purchase and sale of the First-Out Obligations; and

(ii) each First-Out Secured Party owns the First-Out Obligations purported to be owned by it free and clear of any Liens and participation interests (which shall be elevated or otherwise extinguished as part of the purchase option exercise).

(e) Notwithstanding anything to the contrary herein, and solely for purposes of this Section 2.5, the terms "First-Out Secured Parties" and "Term Secured Parties" as used in this Section 2.5 shall exclude the Collateral Agent.

ARTICLE 3
OBLIGATIONS AND POWERS OF COLLATERAL AGENT

Section 3.1 Appointment and Undertaking of the Collateral Agent.

(a) Each Secured Party (other than the Collateral Agent) acting through its respective Representative and/or by its acceptance of the Security Documents hereby appoints the Collateral Agent to serve as collateral agent hereunder (and under the other Security Documents) on the terms and conditions set forth herein. Subject to, and in accordance with, this Agreement, the Collateral Agent will, as collateral agent, for the benefit solely and exclusively of the present and future Secured Parties, acting at the written direction of the Controlling Representative:

(i) accept, enter into, hold, maintain, administer and enforce all Security Documents to which the Collateral Party is a party, including all Collateral subject thereto, and all Liens created thereunder, perform its obligations hereunder and under the Security Documents to which it is a party and protect, exercise and enforce the interests, rights, powers and remedies granted or available to it under, pursuant to or in connection with the Security Documents (including in connection with any Enforcement Action or Insolvency or Liquidation Proceeding);

(ii) take all lawful and commercially reasonable actions permitted under the Security Documents that it may deem necessary or advisable to protect or preserve its interest in the Collateral subject thereto and such interests, rights, powers and remedies;

(iii) deliver and receive notices pursuant to this Agreement and the Security Documents;

(iv) sell, assign, collect, assemble, foreclose on, institute legal proceedings with respect to, take any Enforcement Action, or otherwise exercise or enforce the rights and remedies of a secured party (including a mortgagee, trust deed beneficiary and insurance beneficiary or loss payee) with respect to the Collateral under the Security Documents and its other interests, rights, powers and remedies;

(v) remit as provided in Section 3.4(a) all cash proceeds received by the Collateral Agent from an Enforcement Action under the Security Documents or any of its other interests, rights, powers or remedies or otherwise received by it in accordance with Section 3.4(a);

(vi) execute and deliver (i) amendments and supplements to the Security Documents as from time to time authorized pursuant to Section 7.1 (to the extent the Collateral Agent has received an Officer's Certificate as required by Section 7.1(c)) and (ii) acknowledgements of Collateral Agency Joinders and Additional First-Out Debt Designations delivered pursuant to Section 3.8 or Section 7.14 hereof; and

(vii) release or subordinate any Lien granted to it by any Security Document upon any Collateral if and as required by Section 3.2, Section 4.1 or Section 4.4.

(b) Each party to this Agreement acknowledges and consents to the undertaking of the Collateral Agent set forth in Section 3.1(a) and agrees to each of the other provisions of this Agreement applicable to the Collateral Agent.

(c) Notwithstanding anything to the contrary contained in this Agreement, the Collateral Agent will not commence any Enforcement Action or otherwise take any action or proceeding against any of the Collateral unless and until it shall have been directed by written notice from the Controlling Representative and then only in accordance with the provisions of this Agreement, other than with respect to maintaining, protecting or preserving the Collateral or Liens thereon or the perfection thereof.

(d) Notwithstanding anything to the contrary contained in this Agreement, none of the Company or any of its Affiliates may serve as Collateral Agent, Controlling Representative or Representative.

Section 3.2 Release or Subordination of Liens. The Collateral Agent will not release or subordinate any First Lien of the Collateral Agent or consent to the release or subordination of any First Lien of the Collateral Agent, except:

(a) as permitted in accordance with the terms of each Series of First Lien Documents or otherwise as directed by the Controlling Representative, in each case, (i) subject to any additional restrictions or consents imposed pursuant to the terms of this Agreement and (ii) accompanied by an Officer's Certificate of the Company that includes a certification that the release or subordination was permitted by each applicable First Lien Document and otherwise setting forth the requirements of Section 4.1(b);

(b) as required by Article 4; or

(c) as ordered pursuant to applicable law under a final and nonappealable order or judgment of a court of competent jurisdiction.

Section 3.3 Enforcement of Liens.

(a) (i) The Collateral Agent shall act or refrain from acting with respect to the Collateral, only on the written instructions of the Controlling Representative, (ii) the Collateral Agent shall not follow any instructions with respect to the Collateral from any Secured Party other than the Controlling Representative and (iii) no Secured Party (other than the Representative acting as the Controlling Representative) shall, or shall instruct the Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to (including any Enforcement Action) or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Collateral, whether under any Security Document, applicable law or otherwise, it being agreed that only the Collateral Agent, acting on the written instructions of the Controlling Representative and in accordance with the applicable Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Collateral, including any Enforcement Action; provided that, if and to the extent that such Enforcement Action is to be conducted through receivership, a court-appointed receiver will be utilized. If the Collateral Agent at any time receives written notice from the Controlling Representative stating that a First Lien Debt Default has occurred, the Collateral Agent at the written direction of the Controlling Representative will promptly deliver written notice thereof to each other Representative. Notwithstanding the equal priority of the Liens on the Collateral, the Collateral Agent (acting on the written instructions of the Controlling Representative) may deal with the Collateral as if the Controlling Representative had a senior Lien on the Collateral. No Secured Party will contest, protest or object to any Enforcement Action brought by the Collateral Agent or any other exercise by the Collateral Agent of any rights and remedies relating to the Collateral, in each case, in accordance with the terms of this Agreement. Notwithstanding the foregoing, (i) in any Insolvency or Liquidation Proceeding, any Representative, Collateral Agent or any other Secured Party may file a proof of claim or statement of interest with respect to any Obligations owed to the applicable First-Out Secured Parties or Term Secured Parties; (ii) any Representative or any other Secured Party may take any action to preserve or protect (but not enforce) the validity and enforceability of the Liens granted in favor of the Secured Parties, provided that no such action is, or could reasonably be expected to be, (A) adverse to the rights of the Controlling Representative or any other Controlling Secured Parties to exercise remedies in respect thereof or (B) otherwise inconsistent with the terms of this Agreement; and (iii) any Representative or any other Secured Party may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any Person objecting to or otherwise seeking the disallowance of the claims or Liens of such Secured Party, including any claims secured by the Collateral, in each case, to the extent not inconsistent with the terms of this Agreement.

(b) Subject to Section 2.3(b) and Section 2.4(a), each Representative, on behalf of itself and the Secured Parties for which it is acting hereunder, agrees that it will not accept any Lien on any Collateral for the benefit of any First Lien Obligations other than pursuant to the Security Documents, and by executing this Agreement (or a Collateral Agency Joinder, as applicable), each Representative and each Secured Party for which such Representative is acting hereunder agree to be bound by the provisions of this Agreement and the other Security Documents applicable to it.

(c) Each Representative, on behalf of itself and each Secured Party for which it is acting hereunder, agrees that (i) it will not challenge or question in any proceeding (including any Insolvency or Liquidation Proceeding) the validity, allowability or enforceability of any First Lien Obligations or any First Lien Document or the validity, attachment, perfection or priority of any Lien under any First Lien Document or the validity or enforceability of the priorities, rights or duties established by or other provisions of this Agreement; (ii) it will not seek, and hereby waives any right, to have any Collateral or any part thereof marshalled upon any foreclosure or other disposition of such Collateral; (iii) it will not attempt, directly or indirectly, whether by judicial proceedings or otherwise, to challenge the enforceability of any provision of this Agreement; (iv) it will not object to or oppose, and shall be deemed to consent to, a sale or other disposition of any Collateral (or any portion thereof) under Section 363 of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law or any other provision of the Bankruptcy Code or any other Bankruptcy Law, if the Collateral Agent (acting at the direction of the Controlling Representative) shall have consented to such sale or disposition of such Collateral, the First Liens attach to the proceeds of such sale or disposition, and the proceeds of such sale or disposition received by the Collateral Agent are applied in accordance with the priority provisions of Section 3.4(a); (v) it will not object to or otherwise contest (or support any other Person contesting), any motion for relief from the automatic stay (including under Section 362 of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law) or from any injunction against foreclosure or enforcement in respect of the Collateral made by the Collateral Agent (acting at the direction of the Controlling Representative); (vi) it will not seek relief from the automatic stay or any other stay in any Insolvency or Liquidation Proceeding (including under Section 362 of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law) in respect of any Collateral, without the prior written consent of the Collateral Agent (acting at the direction of the Controlling Representative); (vii) it will not object to, or otherwise contest (or support any Person contesting), (A) any request by the Collateral Agent (acting at the direction of the Controlling Representative) for adequate protection on account of the Collateral or (B) any objection by the Collateral Agent (acting at the direction of the Controlling Representative) to any motion, relief, action or proceeding based on the Collateral Agent's claimed lack of adequate protection with respect to the Collateral; (viii) it will not assert or enforce (or support any Person asserting or enforcing) any claim under Section 506(c) of the Bankruptcy Code (or any similar provision of any other applicable Bankruptcy Law) *pari passu* with or on a senior basis to the First Liens for costs or expenses of preserving or disposing any Collateral; (ix) it will not take or cause to be taken any action the purpose or effect of which is to give any Term Secured Party any preference or priority relative to, the First-Out Secured Parties with respect to the Collateral or any part thereof; and (x) other than as otherwise provided herein, oppose or otherwise contest (or support any other Person contesting) any lawful exercise by the Collateral Agent (acting at the direction of the Controlling Representative) of the right to credit bid at any sale of Collateral (including under Section 363(f) of the Bankruptcy Code or any similar provision of any other applicable Bankruptcy Law); provided that nothing in this Agreement shall be construed to prevent or impair the rights of any of the Collateral Agent or any other Secured Party to enforce this Agreement.

(d) The First-Out Representative, for itself and on behalf of each other First-Out Secured Party, hereby agrees that the Term Representative shall have the right to credit bid the Term Obligations in accordance with Sections 363(k) or 1129 of the Bankruptcy Code or any other applicable law and further that neither the First-Out Representative or any other First-Out Secured Party shall (or shall join with or support any third party in opposing, objecting to or contesting, as the case may be) oppose, object to or contest such credit bid by the Term Representative; provided, that such bid includes a cash payment sufficient to provide for the Discharge of First-Out Obligations and the Discharge of First-Out Obligations occurs immediately after giving effect to such credit bid, or if the First-Out Representative otherwise consents in writing.

(e) Prior to the commencement of any Enforcement Action with respect to any Collateral, the Controlling Representative shall provide written notice (which notice shall include an instruction to the Collateral Agent to provide a copy of such notice to each Representative) of its intention to commence an Enforcement Action to the Collateral Agent (who shall promptly provide a copy of such notice to each Representative). Failure by the Collateral Agent to deliver a copy of the Enforcement Action notice to the Representatives shall not affect the enforceability and effectiveness of the Enforcement Action.

(f) Except as specifically set forth in this Agreement, each of the Representatives and the other Secured Parties may exercise any rights of termination or acceleration of any Indebtedness or other Obligations owing under their respective First Lien Documents or to demand payment under the guarantee in respect thereof or take any actions and exercise all rights that would be available to a holder of unsecured claims, in each case in accordance with the terms of their respective First Lien Documents and applicable law and otherwise consistent with the order of application in Section 3.4 and the other terms of this Agreement; provided that, during the continuance of any First Lien Debt Default under the applicable First Lien Documents, the proceeds of exercise of any set-off rights in respect thereof shall be distributed in accordance with Section 3.4.

(g) Each Representative, for itself and on behalf of each other Secured Party represented by it, hereby agrees that if any Secured Party shall obtain possession of any Collateral or shall realize any proceeds or payment in respect of any Collateral, pursuant to any rights or remedies with respect to the Collateral or on account of any rights available to it under applicable law or in any Insolvency or Liquidation Proceeding (other than, in each case, amounts received pursuant to Section 3.4) at any time prior to the Discharge of First Lien Obligations secured, or intended to be secured, by such Collateral, then it shall hold such Collateral, proceeds or payment in trust for the other Representatives and Secured Parties and transfer such Collateral, proceeds or payment, as the case may be, to the Collateral Agent as promptly as practicable; provided that nothing herein shall limit the rights of the Secured Parties to receive the payments of principal, interest, fees and other amounts due to Secured Parties so long as such payment is not the result of any exercise of remedies by any Secured Party with respect to the Collateral or a payment in respect of Collateral or the Secured Parties realizing any proceeds in respect of Collateral. For the avoidance of doubt, any proceeds received by any of the Secured Parties in their capacities as such in in connection with any Insolvency or Liquidation Proceeding shall be deemed to be the result of an exercise of remedies. Furthermore, the Representatives shall, at the Grantors' expense, promptly send written notice to the Collateral Agent upon receipt of such Collateral, proceeds or payment not permitted hereunder by any Secured Party and within five days after receipt by the Collateral Agent of such written notice, shall deliver such Collateral, proceeds or payment to the Collateral Agent or its designee in the same form as received, with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. The Collateral Agent is hereby authorized to make any such endorsements as agent for the Representatives or any other Secured Party. The Term Representative, for itself and on behalf of each other Secured Party agrees that if, at any time, it obtains written notice that all or part of any payment with respect to any First-Out Obligations (other than Excess First-Out Obligations) previously made shall be rescinded or avoided for any reason whatsoever, it will promptly pay over to the Collateral Agent any such Collateral, proceeds or payment not permitted hereunder received by it and then in its possession or under its direct control in respect of any such Collateral and shall promptly turn any such Collateral then held by it over to the Collateral Agent, and the provisions set forth in this Agreement will be reinstated as if such payment had not been made, until the Discharge of First-Out Obligations. The First-Out Representative agrees that if, at any time after the Discharge of Term Obligations, it obtains written notice that all or part of any payment with respect to any Term Obligations previously made after the Discharge of Term Obligations shall be rescinded or avoided for any reason whatsoever, it will promptly pay over to the Collateral Agent any such Collateral, proceeds or payment not permitted hereunder received by it and then in its possession or under its direct control in respect of any such Collateral and shall promptly turn any such Collateral then held by it over to the Collateral Agent, and the provisions set forth in this Agreement will be reinstated as if such payment had not been made, until the Discharge of Term Obligations. All First Liens will remain attached to and enforceable against all proceeds so held or remitted, subject to the priorities set forth in this Agreement.

(h) Without the consent of the Term Representative in its sole discretion, the First-Out Representative, for itself and on behalf of each other First-Out Secured Party, agrees neither the First-Out Representative nor any First-Out Secured Party shall commence or join with any parties to commence an involuntary bankruptcy petition for the Company or any of its subsidiaries, or support entry of an order for relief in any involuntary bankruptcy proceedings against the Company or any of its subsidiaries, or seek the appointment of an examiner or a trustee for the Company or any of its subsidiaries.

Section 3.4 Application of Proceeds.

(a) Subject to Section 2.3(b), the Collateral Agent will apply the proceeds of any collection, sale, foreclosure or other realization upon, or any other Enforcement Action with respect to, any Collateral and the proceeds thereof, whether prior to or after the commencement of an Insolvency or Liquidation Proceeding or otherwise, the proceeds of any insurance policy required under any First Lien Document or otherwise covering the Collateral, any condemnation proceeds with respect to the Collateral, any Collateral or proceeds distributed on account of the Collateral or the First Lien Obligations after a First Lien Debt Default, including in connection with any Insolvency or Liquidation Proceeding, and any other amounts required to be delivered to the Collateral Agent by any Grantor or any Secured Party or Representative with respect to the Collateral pursuant to any other provision of this Agreement and for application in accordance with this Section 3.4(a), in the following order of application:

FIRST, to the payment of all amounts payable under this Agreement on account of the Collateral Agent's fees and expenses and any reasonable legal fees, costs and expenses or other liabilities of any kind incurred by the Collateral Agent or any co-trustee or agent of the Collateral Agent in connection with any Security Document, including but not limited to reserving or otherwise holding amounts reasonably believed necessary to provide for the expenses of the Collateral Agent in maintaining and disposing of the Collateral (including, but not limited to, indemnification payments and reimbursements);

SECOND, to the First-Out Representative for application to the equal and ratable payment of all outstanding First-Out Obligations (including to cash collateralize letters of credit constituting First-Out Obligations in an amount equal to 103% of the aggregate undrawn amount), other than the Excess First-Out Obligations, that are then due and payable in such order as may be provided in the First-Out Documents in an amount sufficient to cause the Discharge of First-Out Obligations;

THIRD, after the Discharge of First-Out Obligations, the Term Representative for application to the equal and ratable payment of the payment of all outstanding Term Debt and any other Term Obligations that are then due and payable in such order as may be provided in the applicable Term Loan Documents in an amount sufficient to cause the Discharge of Term Obligations;

FOURTH, to the First-Out Representative for application to the equal and ratable payment of any Excess First-Out Obligations that are then due and payable in such order as may be provided in the First-Out Documents in an amount sufficient to cause the Discharge of Excess First-Out Obligations;

FIFTH, any surplus remaining after the Discharge of First Lien Obligations will be paid to the Company or the applicable Grantor, as the case may be, its successors or assigns, or to such other Persons as may be entitled to such amounts under applicable law or as a court of competent jurisdiction may direct.

Notwithstanding the foregoing, if any Series of First Lien Debt has released its Lien on any Collateral as described below in Section 4.1(a)(vi) or Section 4.4, then such Series of First Lien Debt and any related First Lien Obligations of that Series of First Lien Debt thereafter shall not be entitled to share in the proceeds of any Collateral so released by that Series of First Lien Debt.

For the avoidance of doubt, the Collateral Agent shall only apply proceeds in accordance with this Section 3.4 to the extent that such proceeds are actually so received by the Collateral Agent.

(b) If any portion of the proceeds of the Collateral is in the form of cash, then such cash shall be applied pursuant to the priorities set forth in this Section 3.4 before any non-cash proceeds are applied pursuant to the priorities set forth in this Section 3.4; provided that, irrespective of the terms of any Plan of Reorganization (including the confirmation of such Plan of Reorganization pursuant to Section 1129(b) of the Bankruptcy Code or the equivalent provision of any other Bankruptcy Laws), each of the Representatives hereby acknowledges and agrees to turn over to the Collateral Agent amounts otherwise received or receivable by them under such Plan of Reorganization to the extent necessary to effectuate the intent of this Section 3.4. If any Secured Party collects or receives any proceeds of an Enforcement Action, proceeds of any title or other insurance, and any proceeds subject to Liens that have been avoided or otherwise invalidated that should have been applied to the payment of the First Lien Obligations in accordance with Section 3.4(a) above, whether prior to or after the commencement of an Insolvency or Liquidation Proceeding or otherwise, such Secured Party will forthwith deliver the same to the Collateral Agent, for the account of the applicable Secured Parties, to be applied in accordance with Section 3.4(a). Until so delivered, such proceeds shall be segregated and will be held in trust by that Secured Party for the benefit of the applicable Secured Parties.

(c) Subject to Section 2.3(b), to the extent any Secured Party or Representative receives cash, property or other assets (including, without limitation, securities issued under a Plan of Reorganization) from any Insolvency or Liquidation Proceeding in respect of its secured claim, such cash, property or other assets other than debt obligations of a reorganized debtor as contemplated by Section 2.4(e) will be delivered to the Collateral Agent for application in accordance with Section 3.4(a) (including all interest, fees, and expenses accrued thereon after the commencement of any Insolvency or Liquidation Proceeding at the rate, including any applicable post-default rate, specified in the applicable First Lien Documents or other documentation in respect of First Lien Obligations, even if such interest, fees, or expenses is not enforceable, allowable or allowed as a claim in such proceeding) until the Discharge of First Lien Obligations.

(d) If, after the occurrence and during the continuance of a First Lien Debt Default, any Discharge of Term Obligations occurs by way of the exercise of any rights of set-off, banker’s liens or consolidation of accounts prior to the Discharge of First-Out Obligations, the relevant Secured Party shall immediately segregate and hold an amount equal to the amount so discharged in trust for application to the First-Out Obligations and forthwith deliver such amount to the Collateral Agent as provided in Section 3.4(b).

(e) This Section 3.4 is intended for the benefit of, and will be enforceable as a third party beneficiary by, each present and future holder of First Lien Obligations, each present and future Representative and the Collateral Agent as holder of First Liens. The Representative of each future Series of First Lien Debt will be required to deliver a Collateral Agency Joinder including an Additional First-Out Debt Designation as provided in Section 3.8 at the time of incurrence of such Series of First Lien Debt.

(f) In connection with the application of proceeds pursuant to Section 3.4(a), except as otherwise directed by the Controlling Representative, the Collateral Agent may sell any non-cash proceeds for cash prior to the application of the proceeds thereof.

(g) In making the determinations and allocations in accordance with Section 3.4(a), the Collateral Agent may conclusively rely upon information supplied in writing by the relevant Representative as to the amounts of unpaid principal and interest and other amounts outstanding with respect to its respective First Lien Debt and any other First Lien Obligations.

Section 3.5 Powers of the Collateral Agent.

(a) The Collateral Agent is irrevocably authorized and empowered to enter into and perform its obligations and protect, perfect, exercise and enforce its interest, rights, powers and remedies under the Security Documents (including in connection with any Enforcement Action and in any Insolvency or Liquidation Proceeding) and applicable law and in equity and to act as set forth in this Article 3 or, subject to the other provisions of this Agreement, as requested in any lawful written directions given to it from time to time in respect of any matter by the Controlling Representative.

(b) No Representative or holder of First Lien Obligations (other than the Collateral Agent) will have any liability whatsoever for any act or omission of the Collateral Agent, and the Collateral Agent will have no liability whatsoever for any act or omission of any Representative or any holder of First Lien Obligations.

Section 3.6 Documents and Communications. The Collateral Agent will permit each Representative upon reasonable written notice and at reasonable times from time to time to inspect and copy, at the cost and expense of the party requesting such copies, any and all Security Documents and other documents, notices, certificates, instructions or communications received by the Collateral Agent in its capacity as such.

Section 3.7 For Sole and Exclusive Benefit of Holders of First Lien Obligations. The Collateral Agent will accept, hold, administer and enforce all Liens on the Collateral at any time transferred or delivered to it and all other interests, rights, powers and remedies at any time granted to or enforceable by the Collateral Agent and all other property of the Collateral Estate solely and exclusively for the benefit of the present and future holders of present and future First Lien Obligations, and will distribute all proceeds received by it from an Enforcement Action solely and exclusively pursuant to the provisions of Section 3.4.

Section 3.8 Additional First-Out Debt.

(a) The Collateral Agent, in its capacity as such, will perform its undertakings set forth in Section 3.1(a) with respect to each Series of First-Out Debt constituting Additional First-Out Debt (each, a "Series of Additional First-Out Debt"); provided that:

(i) such First-Out Obligations (other than First-Out Obligations issued or incurred pursuant to commitments under the First-Out Documents on the date hereof) are identified as First-Out Debt in accordance with the procedures set forth in Section 3.8(b); and

(ii) unless such First-Out Debt is issued under an existing First-Out Document for any Series of First Lien Debt whose representative or agent is already party to this Agreement, each additional holder of any such Series of Additional First-Out Debt or the designated representative identified pursuant to Section 3.8(b), as applicable, signs a Collateral Agency Joinder and promptly delivers the same to the Collateral Agent.

(b) The Company will be permitted to designate any Person for purposes of this Agreement as an additional holder of any Series of Additional First-Out Debt who is, or who becomes, the registered holder of First-Out Debt incurred by the Company or any other Grantor after the date of this Agreement in accordance with the terms of all applicable First Lien Documents. The Company may only effect such designation by delivering to the Collateral Agent an Additional First-Out Debt Designation that:

(i) states that the Company or applicable Grantor intends to incur First-Out Debt that is permitted by each applicable then extant First Lien Document to be incurred and to be secured with a First Lien equally and ratably with all previously existing and future First Lien Debt, subject to Sections 2.3(b) and 3.4 ("Additional First-Out Debt");

(ii) specifies the name, address and contact information of the representative for such Series of Additional First-Out Debt for purposes of Section 7.5 or, to the extent such representative is already party to this Agreement, confirms such Person as the representative for such Series of Additional First-Out Debt;

(iii) attaches as Exhibit 1 to such Additional First-Out Debt Designation a Reaffirmation Agreement in substantially the form attached as Exhibit 1 to Exhibit A of this Agreement, which Reaffirmation Agreement has been duly executed by the Company and each Grantor; and

(iv) states that the Company has caused a copy of the Additional First-Out Debt Designation and the related Collateral Agency Joinder(s) to be delivered to each then existing Representative. Although the Company shall be required to deliver a copy of each Additional First-Out Debt Designation and each Collateral Agency Joinder to each then existing Representative, the failure to so deliver a copy of the Additional First-Out Debt Designation and/or Collateral Agency Joinder to any then existing Representative shall not affect the status of such debt as Additional First-Out Debt if the other requirements of this Section 3.8 are complied with. To the extent required to be delivered pursuant to the terms of the First-Out Documents for such Additional First-Out Debt or otherwise reasonably requested by the Collateral Agent, the Collateral Agent (and, on a non-reliance basis, the other then existing Representatives) shall receive an Officer's Certificate and/or a legal opinion or opinions of counsel (subject to customary assumptions and qualifications) from the Company as to the Additional First-Out Debt being permitted by the terms of any credit agreement, debt facility, agreement, instrument, or arrangement under which the First Lien Obligations have been incurred or issued and secured by a valid and perfected security interest in the Collateral; provided that nothing shall preclude such legal opinion or opinions from being delivered on a post-closing basis after the incurrence of such Additional First-Out Debt if permitted by the representative or applicable First-Out Holders for such Additional First-Out Debt. Notwithstanding the foregoing, nothing in this Agreement will be construed to allow the Company or any other Grantor to incur additional Indebtedness unless otherwise permitted by the terms of all applicable then extant First Lien Documents. Liens upon the Collateral to secure Additional First-Out Debt shall be created pursuant to the Security Documents that create Liens upon the Collateral to secure the other First Lien Obligations; provided that, to the extent required by applicable law such Liens upon the Collateral to secure Additional First-Out Debt and other First Lien Obligations may be created pursuant to one set of Security Documents, in favor of the Collateral Agent, which shall be in all material respects the same form as the Security Documents creating the Liens upon the Collateral to secure the other First Lien Obligations as then in effect. Subject to Section 2.3(b), Additional First-Out Debt shall not be secured by Liens upon any Collateral unless the other First Lien Obligations are also secured by Liens on such Collateral. Additional First-Out Debt shall be guaranteed by all of the applicable Grantors and shall not be guaranteed by any Person that is not a Grantor.

(c) With respect to any First Lien Obligations constituting Additional First-Out Debt that is issued or incurred after the date hereof, the Company and each of the other Grantors agrees to take such actions (if any) as necessary and as may from time to time reasonably be requested by the Collateral Agent, any Representative or any Controlling Representative, and enter into such technical amendments, modifications and/or supplements to the then existing Security Documents (or execute and deliver such additional Security Documents) as necessary and as may from time to time be reasonably requested by such Persons (including as contemplated by clause (d) below), to ensure that the Additional First-Out Debt is secured by, and entitled to the benefits of, the Security Documents, and each Secured Party (by its acceptance of the benefits hereof) hereby agrees to, and authorizes the Collateral Agent to enter into, any such technical amendments, modifications and/or supplements (and additional Security Documents). The Company and each other Grantor hereby further agrees that, if there are any recording, filing or other similar fees payable in connection with any of the actions to be taken pursuant to this Section 3.8(c) or Section 3.8(d), all such amounts shall be paid by, and shall be for the account of, the Company and the respective Grantors, on a joint and several basis.

(d) Without limitation of the foregoing, each Grantor agrees to take the following actions with respect to any real property Collateral with respect to all Additional First-Out Debt (it being understood that any such actions may be taken following the incurrence of any such Additional First-Out Debt on a post-closing basis if permitted by the Representative for such Additional First-Out Debt):

(i) each applicable Grantor shall enter into, and deliver to the Collateral Agent and the representative or applicable First-Out Holders for such Additional First-Out Debt a mortgage modification or new mortgage or deed of trust with regard to the real property subject to a mortgage or deed of trust (each such mortgage modification or new mortgage or deed of trust, as the case may be, a "Mortgage" and each such property a "Mortgaged Property"), in proper form for recording in all applicable jurisdictions, and otherwise in form and substance reasonably acceptable to Collateral Agent and such representative or applicable First-Out Holders, unless such representative determines, in its reasonable discretion, that no such Mortgage is required in connection with any Additional First-Out Debt constituting First-Out Hedging Obligations; and

(ii) upon request of such representative or applicable First-Out Holders, each applicable Grantor will cause to be delivered a local counsel opinion (subject to customary assumptions and qualifications) to the effect that the Collateral Agent has a valid and perfected Lien with respect to each such Mortgaged Property.

The Company will deliver an Officer's Certificate to the Collateral Agent and the representative or applicable First-Out Holders for such Additional First-Out Debt confirming that the foregoing conditions have been satisfied.

(e) The Company shall have the right, at any time on or after the occurrence of the Discharge of First-Out Obligations, to enter into any First-Out Document evidencing First-Out Debt so long as the incurrence thereof is not prohibited by any then extant First Lien Documents, and to designate such funded debt as First-Out Debt in accordance with Section 3.8(b). At any time from and after the date of such designation pursuant to Section 3.8(b), subject to compliance with Section 3.8(b) and (d), the obligations under such First-Out Document shall automatically and without further action be treated as First-Out Debt for all purposes of this Agreement.

ARTICLE 4
OBLIGATIONS ENFORCEABLE BY THE COMPANY AND THE OTHER GRANTORS

Section 4.1 Release of Liens on Collateral.

(a) The First Liens upon the Collateral will be automatically released in each of the following circumstances:

(i) as to all Collateral, upon the Discharge of First Lien Obligations;

(ii) as to any Collateral of the Company or any other Grantor that is sold, transferred or otherwise disposed of by the Company or any other Grantor to a Person that is not (either before or after such sale, transfer or disposition) the Company or a Grantor in a transaction or other circumstance that is permitted (or not prohibited) by the Senior Credit Facility, the Term Loan Agreement and the other First Lien Documents or (y) as to any property constituting Excluded Assets (as defined in the Credit Agreements) and that is not required to be subject to a Lien pursuant to the First Lien Document of any other series of First Lien Debt;

(iii) as to any Collateral of a Grantor (other than the Company) that is released as a guarantor under each First Lien Document;

(iv) as to any other release of any of the Collateral that is less than all or substantially all of the Collateral, if (A) consent to the release of that Collateral has been given by the representatives at the time outstanding as provided for in the applicable First Lien Documents (with the consent of the Required First-Out Debtholders and Required Term Holders) and (B) the Company has delivered an Officer's Certificate to the Collateral Agent relating thereto;

(v) as to any Collateral of the Company or any other Grantor that is foreclosed upon by the Collateral Agent or against which the Collateral Agent otherwise exercises its rights or remedies (including in connection with an Enforcement Action) (whether or not any Insolvency or Liquidation Proceeding is pending at the time) in each case, which results in a disposition of such Collateral wherein title to such Collateral is no longer held by any Grantor; provided that the Collateral Agent may elect, in its sole discretion, not to release the First Lien on such Collateral until sometime after its foreclosure or other disposition; or

(vi) as to any or all Collateral, with respect to any Series of First Lien Debt (but not any other Series of First Lien Debt), in accordance with the terms of the applicable First Lien Documents for such Series of First Lien Debt, upon written approval of the holder, agent or representative of such Indebtedness, as applicable, it being agreed that the release of any Collateral pursuant to this Section 4.1(a)(vi) shall not, of itself, result in a violation of Section 2.3(a).

(b) The Collateral Agent agrees for the benefit of the Company and the other Grantors that, if the Collateral Agent at any time receives:

(i) an Officer's Certificate relating to any release or subordination of Collateral permitted herein certifying that such release or subordination is permitted hereunder; and

(ii) the proposed instrument or instruments releasing or subordinating the Liens as to such Collateral in recordable form, if applicable;

(iii) then, promptly following receipt by the Collateral Agent of the items required by this Section 4.1(b), upon written request of and at the expense of the Company, the Collateral Agent will execute (with such acknowledgements and/or notarizations as are required) and deliver evidence of such release or subordination to the Company or other applicable Grantor.

(c) The Collateral Agent hereby agrees that in the case of any release pursuant to Section 4.1(a)(ii), if the terms of any such sale, transfer or other disposition require the payment of the purchase price to be contemporaneous with the delivery of the applicable release, then, at the written request of and at the expense of the Company or other applicable Grantor, the Collateral Agent will either (i) be present at and deliver the release at the closing of such transaction or (ii) deliver the release under customary escrow arrangements that permit such contemporaneous payment and delivery of the release.

Section 4.2 Delivery of Copies to Representatives. The Company will deliver to each Representative a copy of each Officer's Certificate delivered to the Collateral Agent pursuant to Section 4.1(b), together with copies of all documents delivered to the Collateral Agent with such Officer's Certificate. The Representatives will not be obligated to take notice thereof or to act thereon.

Section 4.3 Collateral Agent not Required to Serve, File or Record. Subject to Section 3.2, the Collateral Agent is not required to serve, file, register or record any instrument releasing or subordinating its Liens on any Collateral; provided that if the Company or any other Grantor shall make a written demand in the form of an Officer's Certificate for a termination statement under Section 9-513(c) of the UCC, the Collateral Agent shall, at the Company's or such other Grantor's expense, comply with the written request of the Company or Grantor to comply with the requirements of such UCC provision as determined by the Company or Grantor.

Section 4.4 Release of Liens in Respect of First-Out Obligations or Term Obligations. In addition to any release pursuant to Section 4.1 hereof but subject to Section 7.16 hereof, the Collateral Agent's First Liens will no longer secure:

(a) the First-Out Obligations, and the right of the holders of such First-Out Obligations to the benefits and proceeds of the First Liens on the Collateral will terminate and be discharged, upon the occurrence of each of Discharge of First-Out Obligations and the Discharge of Excess First-Out Obligations; and

(b) the Term Obligations, and the right of the holders of such Term Obligations to the benefits and proceeds of the First Liens on the Collateral will terminate and be discharged, upon the Discharge of Term Obligations.

ARTICLE 5
IMMUNITIES OF THE COLLATERAL AGENT

Section 5.1 No Implied Duty. The Collateral Agent will not have any duties nor will it have responsibilities or obligations other than those expressly assumed by it in this Agreement, the other Security Documents and any other First Lien Document to which it is a party, as applicable. No implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement, the other First Lien Documents or any other Security Document or otherwise exist against the Collateral Agent. Without limiting the generality of the foregoing sentences, the use of the term "trustee" in this Agreement or any other Security Document with reference to the Collateral 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 merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. The Collateral Agent will not be required to take any action that is contrary to applicable law or any provision of this Agreement or the other Security Documents or that would reasonably be expected to expose the Collateral Agent to liability. The Collateral Agent shall not have or be deemed to have any fiduciary relationship with any Secured Party or any other Person, regardless of whether a default, event of default or termination event has occurred under any First Lien Document.

Section 5.2 Appointment of Agents and Advisors. The Collateral Agent may execute any of the powers hereunder or perform any duties hereunder or under any other Security Document either directly or by or through agents, attorneys, accountants, appraisers or other experts or advisors selected by it as it may reasonably require and will not be responsible for any misconduct or negligence on the part of any of them selected in the absence of gross negligence, bad faith or willful misconduct (as determined in the final non-appealable judgment of a court of competent jurisdiction).

Section 5.3 Other Agreements. The Collateral Agent has accepted its appointment as collateral agent hereunder and is bound by the Security Documents executed by the Collateral Agent as of the date of this Agreement, and, as directed in writing by the Company or the Controlling Representative, the Collateral Agent shall execute additional Security Documents delivered to it after the date of this Agreement (including to secure Obligations arising under Additional First-Out Debt to the extent such Obligations are permitted to be incurred and secured under the First Lien Documents); provided that such additional Security Documents do not adversely affect the rights, privileges, benefits and immunities of the Collateral Agent.

Section 5.4 Solicitation of Instructions.

(a) The Collateral Agent may at any time solicit written confirmatory instructions, in the form of a direction by the Controlling Representative, an Officer's Certificate or an order of a court of competent jurisdiction, as to any action that it may be requested or required to take, or that it may propose to take, in the performance of any of its obligations under this Agreement or the other Security Documents.

(b) No written direction given to the Collateral Agent by the Controlling Representative that in the sole judgment of the Collateral Agent imposes, purports to impose or might reasonably be expected to impose upon the Collateral Agent any obligation or liability not set forth in or arising under this Agreement and the other Security Documents will be binding upon the Collateral Agent unless the Collateral Agent elects, at its sole option, to accept such direction.

(c) The Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Agreement at the request, order or direction of the Controlling Representative pursuant to the provisions of this Agreement, unless such representative shall have furnished to the Collateral Agent security or indemnity satisfactory to it against the costs, expenses and liabilities including attorneys' fees and expenses which may be incurred therein or thereby.

Section 5.5 Limitation of Liability. The Collateral Agent will not be responsible or liable for any action taken or omitted to be taken by it hereunder or under any other Security Document, except for its own gross negligence, bad faith or willful misconduct, in each case, as determined in the final non-appealable judgment of a court of competent jurisdiction.

Section 5.6 Documents in Satisfactory Form. The Collateral Agent will be entitled, but not obligated, to require that all agreements, certificates, opinions, instruments and other documents at any time submitted to it, including those expressly provided for in this Agreement or any other Security Document, be delivered to it in a form reasonably satisfactory to it.

Section 5.7 Entitled to Rely. The Collateral Agent may seek and conclusively rely upon, and shall be fully protected in conclusively relying upon, any judicial order or judgment, upon any advice, opinion or statement of legal counsel, independent consultants and other experts selected by it in good faith and upon any certification, instruction, notice or other writing delivered to it by the Company or any other Grantor in compliance with the provisions of this Agreement or delivered to it by any Representative as to the holders of First Lien Obligations for whom it acts, without being required to determine the authenticity thereof or the correctness of any fact stated therein or the propriety or validity of service thereof. The Collateral Agent may act in reliance upon any instrument comporting with the provisions of this Agreement or any other Security Document or any signature believed by it in good faith to be genuine and may assume that any Person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof or the other Security Documents has been duly authorized to do so. To the extent an Officer's Certificate or opinion of counsel is required or permitted under this Agreement or any other Security Document to be delivered to the Collateral Agent in respect of any matter, the Collateral Agent may rely conclusively on an Officer's Certificate or opinion of counsel as to such matter and such Officer's Certificate or opinion of counsel shall be full warranty and protection to the Collateral Agent for any action taken, suffered or omitted by it under the provisions of this Agreement and the other Security Documents.

Section 5.8 First Lien Debt Default. The Collateral Agent will not be required to inquire as to the occurrence or absence of any First Lien Debt Default and will not be affected by or required to act upon any notice or knowledge as to the occurrence of any First Lien Debt Default unless and until it is directed in writing by the Controlling Representative.

Section 5.9 Actions by Collateral Agent. As to any matter not expressly provided for by this Agreement or the other Security Documents, the Collateral Agent will act or refrain from acting as directed in writing by the Controlling Representative and will be fully protected if it does so, and any action taken, suffered or omitted pursuant to hereto or thereto shall be binding on the holders of First Lien Obligations.

Section 5.10 Security or Indemnity in favor of the Collateral Agent. The Collateral Agent will not be required to advance or expend any funds or otherwise incur any financial liability in the performance of its duties or the exercise of its powers or rights hereunder or under any other Security Document unless it has been provided with security or indemnity reasonably satisfactory to it against any and all liability or expense which may be incurred by it by reason of taking or continuing to take such action. In no event shall the Collateral Agent be liable, directly or indirectly, for any special, indirect, punitive or consequential damages, even if the Collateral Agent has been advised of the possibility of such damages and regardless of the form of action.

Section 5.11 Rights of the Collateral Agent. In the event of any conflict between any terms and provisions set forth in this Agreement and those set forth in any other First Lien Document, the terms and provisions of this Agreement shall supersede and control the terms and provisions of such other First Lien Document. In the event there is any bona fide, good faith disagreement between the other parties to this Agreement or any of the other Security Documents resulting in adverse claims being made in connection with Collateral held by the Collateral Agent and the terms of this Agreement or any of the other Security Documents do not unambiguously mandate the action the Collateral Agent is to take or not to take in connection therewith under the circumstances then existing, or the Collateral Agent is in doubt as to what action it is required to take or not to take hereunder or under the other Security Documents, it will be entitled to refrain from taking any action (and will incur no liability for doing so) until directed otherwise in writing by a request signed jointly by the parties hereto entitled to give such direction or by order of a court of competent jurisdiction.

Section 5.12 Limitations on Duty of Collateral Agent in Respect of Collateral.

(a) Beyond the exercise of reasonable care in the custody of Collateral in its possession, the Collateral Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Collateral Agent will not be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Liens on the Collateral; provided that, notwithstanding the foregoing, the Collateral Agent will execute, file or record UCC-3 continuation statements and other documents and instruments to preserve, protect or perfect the security interests granted to the Collateral Agent (subject to the priorities set forth herein) if it shall receive a specific written request to execute, file or record the particular continuation statement or other specific document or instrument by the Controlling Representative (which request shall include an instruction to the Collateral Agent to provide a copy of such request to each other Representative), it being understood that the Company and/or the applicable Grantor shall be responsible for all filings required in connection with any Security Document and the continuation, maintenance and/or perfection of any such filing or the lien and security interest granted in connection therewith. The Collateral Agent shall deliver to each other Representative a copy of any such written request. The Collateral Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Collateral Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith.

(b) Except as provided in Section 5.12(a), the Collateral Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any Grantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Collateral Agent hereby disclaims any representation or warranty to the current and future holders of the First Lien Obligations concerning the perfection of the security interests granted to it or in the value of any Collateral. The Collateral Agent shall not be under any obligation to any Representative or any holder of First Lien Debt to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Security Document or to inspect the properties, books or records of the Company or any other Grantor. The Collateral Agent shall not have any liability, duty or obligation with respect to any actions or omissions of any other Person, including without limitation, the Company, the First Lien Representatives or any other Secured Party, except as expressly provided by Section 5.2.

Section 5.13 Assumption of Rights, Not Assumption of Duties. Notwithstanding anything to the contrary contained herein:

(a) the exercise by the Collateral Agent of any of its rights, remedies or powers hereunder will not release any other parties from any of their respective duties or obligations under any other Security Documents; and

(b) the Collateral Agent will not be obligated to perform any of the obligations or duties of the Company or any other Grantor.

Section 5.14 No Liability for Clean Up of Hazardous Materials. In the event that the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under any environmental laws or otherwise cause the Collateral Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, the Collateral Agent reserves the right, instead of taking such action, either to immediately resign as Collateral Agent or to arrange for the transfer of the title or control of the asset to a court appointed receiver. The Collateral Agent will not be liable to any Person for any environmental liability or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Collateral Agent's actions or inactions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment.

Section 5.16 Other Relationships with the Company or Grantors. Texas Capital and its Affiliates (and any successor Collateral Agent and its Affiliates) may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting or other business with the Company or any Grantor and its Affiliates as though it was not the Collateral Agent hereunder and without notice to or consent of the Secured Parties. The Secured Parties acknowledge that, pursuant to such activities, Texas Capital, or its Affiliates (and any successor Collateral Agent and its Affiliates) may receive information regarding the Company or any Grantor or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Company or such Grantor or such Affiliate) and acknowledge that the Collateral Agent shall not be under any obligation to provide such information to the Secured Parties. Nothing herein shall impose or imply any obligation on the part of Texas Capital, (or any successor Collateral Agent) to advance funds. Each party agrees and acknowledges that Texas Capital may from time to time act in separate and distinct roles and capacities under one or more First Lien Documents. In no event shall Texas Capital, in any role or capacity have any duty or liability for any other role or capacity.

Section 5.17 Other Provisions regarding Collateral Agent.

(a) The permissive authorizations, entitlements, powers and rights granted to the Collateral Agent in the First Lien Documents shall not be construed as duties.

(b) The Collateral Agent shall have no responsibility for interest or income on any funds held by it hereunder and any funds so held may be held un-invested pending distribution thereof.

(c) Whether or not explicitly set forth therein, the rights, powers, protections, immunities and indemnities granted to the Collateral Agent herein shall apply to any document entered into by the Collateral Agent in connection with its role as Collateral Agent under the First Lien Documents.

(d) Each Secured Party (other than the Collateral Agent) authorizes and directs the Collateral Agent to enter into this Agreement and the other First Lien Documents to which it is a party on the date hereof on behalf of and for the benefit of the Secured Parties.

(e) Delivery of reports, documents and other information to the Collateral Agent is for informational purposes only and the Collateral Agent's receipt of the foregoing shall not constitute constructive knowledge of any event or circumstance or any information contained therein or determinable from information contained therein. Information contained in notices, reports or other documents delivered to the Collateral Agent and other publicly available information shall not constitute actual or constructive knowledge. Knowledge of or notices or other documents delivered to Texas Capital in its separately capacity shall not constitute knowledge of or delivery to Texas Capital, in any other capacity under the First Lien Documents or to any affiliate or other division of Texas Capital.

(f) In connection with the delivery of any information to the Collateral Agent by any other Person to be used in connection with the preparation or distribution of calculations or reports, the Collateral Agent is entitled to conclusively rely on the accuracy of any such information and shall not be required to investigate or reconfirm its accuracy and shall not be liable in any manner whatsoever for any errors, inaccuracies or incorrect information resulting from the use of this information.

(g) Not less than three Business Days (or such shorter period as may be agreed to by the Collateral Agent) prior to any payment, distribution or transfer of funds by the Collateral Agent to any Person under the First Lien Documents, the payee shall provide to the Collateral Agent such documentation and information as may be reasonably requested by the Collateral Agent (unless such Person has previously provided the documentation or information, and so long as such documentation or information remain accurate and true). The Collateral Agent shall have no duty, obligation or liability to make any payment to any Person until it has received such documentation and information with respect to such Person, which documentation and information shall be reasonably satisfactory to the Collateral Agent.

(h) Any notes or other evidence of indebtedness issued under the First Lien Documents need not be presented or surrendered for any payment made by the Collateral Agent, and the Collateral Agent shall not have any duty or responsibility with respect thereto.

(i) The Collateral Agent shall not act as the withholding agent under any First Lien Document. The Company and the Secured Parties, as applicable, shall provide to the Collateral Agent any IRS forms (or updated versions of any previously submitted IRS forms) or other documentation at such time or times required by applicable law or upon the reasonable request of the Collateral Agent as may be necessary (x) to determine the nature of the income and whether any tax or withholding obligations apply, (y) to reduce or eliminate the imposition of U.S. withholding taxes and (z) to permit the Collateral Agent to fulfill its tax reporting obligations under applicable law with respect to this Agreement or any amounts paid. Texas Capital, both in its individual capacity and in its capacity as the Collateral Agent shall have no liability to any Person in connection with any tax withholding amounts paid or withheld pursuant to applicable law arising from the failure to timely provide an accurate, correct and complete IRS Form W-9, an appropriate IRS Form W-8 or such other documentation contemplated under this Agreement. In the event any IRS form, certification or other documentation expires or becomes obsolete or inaccurate in any respect, the Person who provided the same shall promptly provide to the Collateral Agent an updated version of such form, certificate or other documentation or promptly notify the Collateral Agent in writing of its legal inability to do so.

(j) Notwithstanding anything else to the contrary herein or in the other First Lien Documents, whenever reference is made in this Agreement or any other First Lien Document to any discretionary action by, consent, designation, specification, requirement or approval of, notice, request or other communication from, or other direction given or action to be undertaken or to be (or not to be) suffered or omitted by the Collateral Agent or to any election, decision, opinion, acceptance, use of judgment, expression of satisfaction or other exercise of discretion, rights or remedies to be made (or not to be made) by the Collateral Agent, it is understood that the Collateral Agent shall be acting at the direction of the Controlling Representative and shall be fully protected in acting pursuant to such directions.

ARTICLE 6
RESIGNATION AND REMOVAL OF THE COLLATERAL AGENT

Section 6.1 Resignation or Removal of Collateral Agent; Appointment of Successor Collateral Agent. The Collateral Agent may resign as the Collateral Agent upon thirty (30) days' written notice to the Company and each Representative (for distribution to each Secured Party) and if the Collateral Agent is a "defaulting lender" under any First Lien Document, the Company or the Required First Lien Debtholders may remove the Collateral Agent upon ten days' notice to the Collateral Agent and each Representative (for distribution to each Secured Party). Subject to the other terms of this Agreement, if the Collateral Agent resigns or is removed by the Company, each Representative (acting at the direction of the required number of Secured Parties in accordance with the applicable First Lien Document) shall appoint a successor agent, which successor agent shall (a) be consented to by the Company at all times other than during the existence of First Lien Debt Default arising from a payment default or a bankruptcy or insolvency default under any First Lien Document (which consent of the Company shall not be unreasonably withheld or delayed); provided that in no event shall any such successor Collateral Agent be a "defaulting lender" or a "disqualified lender", in each case as defined in any First Lien Document. If no successor agent is appointed prior to the effective date of the resignation or removal of the Collateral Agent, the Collateral Agent, in the case of a resignation, and the Company, in the case of a removal may appoint, after consulting with each of the Representatives and the Company (in the case of a resignation), a successor collateral agent. Upon the acceptance of its appointment as successor agent, the Person acting as such successor agent shall succeed to all the rights, powers and duties of the retiring Collateral Agent under this Agreement, the other Security Documents and other First Lien Documents and the term or "Collateral Agent" shall mean such successor collateral agent and the retiring Collateral Agent's appointment, powers and duties as the Collateral Agent shall be terminated. After the retiring Collateral Agent's resignation or removal in accordance herewith as the Collateral Agent, the provisions of this Article VI and the reimbursement and indemnification provisions set forth herein shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Collateral Agent in respect of this Agreement and the Security Documents. If no successor agent has accepted appointment as the Collateral Agent by the date which is thirty (30) days following the retiring Collateral Agent's notice of resignation or ten days following the Company's notice of removal, the Collateral Agent's resignation shall nevertheless thereupon become effective and the Controlling Representative shall perform all of the duties of the Collateral Agent hereunder until such time, if any, as the Representatives (acting at the direction of the required number of Secured Parties in accordance with the applicable First Lien Document) appoint a successor agent as provided for above. Upon the acceptance of any appointment as the Collateral Agent in accordance herewith by a successor and upon the execution and filing or recording of such financing statements, or amendments thereto, and such other instruments or notices, as may be necessary or desirable, or as the Required First Lien Debtholders may request, in order to continue the perfection of the Liens granted or purported to be granted by the Security Documents, the Collateral Agent shall thereupon succeed to and become vested with all the rights, powers, discretion, privileges, and duties of the retiring Collateral Agent under the First Lien Documents, and the retiring Collateral Agent shall be discharged from its duties and obligations under the this Agreement and the other Security Documents. The Collateral Agent hereunder shall be the same as the collateral agent under the other applicable First Lien Documents and the appointment of such successor Collateral Agent hereunder shall be effective as the appointment of a successor collateral agent under the other applicable First Lien Documents.

Section 6.2 Transfer of Liens to successor Collateral Agent. When the Person appointed as successor Collateral Agent in accordance with Section 6.1 above accepts such appointment the predecessor Collateral Agent will (at the expense of the Company) promptly transfer all Liens and collateral security and other property of the Collateral Estate within its possession or control to the possession or control of the successor Collateral Agent and will execute instruments and assignments as may be necessary or desirable or reasonably requested by the successor Collateral Agent to transfer to the successor Collateral Agent all Liens, interests, rights, powers and remedies of the predecessor Collateral Agent in respect of the Security Documents or the Collateral Estate.

Section 6.3 Merger, Conversion or Consolidation of Collateral Agent. Any Person into which the Collateral Agent may be merged or converted or with which it may be consolidated, or any Person resulting from any merger, conversion or consolidation to which the Collateral Agent shall be a party, or any Person succeeding to the business of the Collateral Agent shall be the successor of the Collateral Agent hereunder and shall be subject to Section 6.2, provided that (a) without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto, except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding, such Person satisfies the eligibility requirements specified in Section 6.1, and (b) prior to any such merger, conversion or consolidation, the Collateral Agent shall have notified the Company and each Representative thereof in writing. Thereafter the predecessor Collateral Agent will remain entitled to enforce the immunities granted to it in Article 5 and the provisions of Section 7.22, and said provisions will survive termination of this Agreement for the benefit of the predecessor of the Collateral Agent. The predecessor Collateral Agent shall have no liability whatsoever for the actions or inactions of the successor Collateral Agent.

Section 6.4 Concerning the Collateral Agent and the Representatives.

(a) Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that this Agreement has been signed by each Representative not in its individual capacity or personally but solely in its capacity as trustee, representative or agent for the benefit of the applicable Secured Parties in the exercise of the powers and authority conferred and vested in it under the related First Lien Documents, and in no event shall such Representative, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any other party under this Agreement, any First Lien Document or in any of the certificates, reports, documents, data notices or agreements delivered by such other party pursuant hereto or thereto.

(b) Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that this Agreement has been signed by Texas Capital not in its individual capacity or personally but in its capacity as Collateral Agent, and in no event shall the Collateral Agent, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any other party under this Agreement, any First Lien Document or in any of the certificates, reports, documents, data notices or agreements delivered by such other party pursuant hereto or thereto.

(c) Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that this Agreement has been signed by Chambers Energy signing as the Term Representative, and in no event shall Chambers Energy or any other Representative, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any other party under this Agreement, any First Lien Document or in any of the certificates, reports, documents, data notices or agreements delivered by such other party pursuant hereto or thereto.

(d) Notwithstanding anything contained herein to the contrary, it is expressly understood and agreed by the parties hereto that this Agreement has been signed by Mercuria Energy Trading SA signing as First-Out Representative, and in no event shall Mercuria Energy Trading SA or any other Representative, in its individual capacity, have any liability for the representations, warranties, covenants, agreements or other obligations of any other party under this Agreement, any First Lien Document or in any of the certificates, reports, documents, data notices or agreements delivered by such other party pursuant hereto or thereto.

(e) In entering into this Agreement, the Collateral Agent shall be entitled to the benefit of every provision of the First Lien Documents relating to the rights, protections, immunities, indemnities, exculpations or conduct of, affecting the liability of or otherwise affording protection to the "Collateral Agent" thereunder. In no event will the Collateral Agent be liable for any act or omission on the part of the Grantors, or any Representative.

(f) Except as otherwise set forth herein, neither the Collateral Agent nor any Representative shall be required to exercise any discretion or take any action, but shall be required to act or refrain from acting (and shall be fully protected in so acting or refraining from acting) solely upon the written instructions of the Controlling Representative as provided herein; provided that neither the Collateral Agent nor any Representative shall be required to take any action that (i) it in good faith believes exposes it to personal liability unless it receives an indemnification satisfactory to it from the applicable holders of the First Lien Obligations with respect to such action or (ii) is contrary to this Agreement or applicable law.

ARTICLE 7
MISCELLANEOUS PROVISIONS

Section 7.1 Amendment.

(a) No amendment or supplement to the provisions of any Security Document (including this Agreement) will be effective without the approval of the Collateral Agent, acting at the written direction of the Controlling Representative, except that:

(i) any amendment or supplement that has the effect solely of:

(A) adding or maintaining Collateral, securing Additional First-Out Debt that is otherwise permitted by the terms of the First Lien Documents to be secured by the Collateral or preserving, perfecting or establishing the Liens thereon or the rights of the Collateral Agent or any Representative therein;

(B) (1) curing any ambiguity, defect or inconsistency; (2) making any change that would provide any additional rights or benefits to the Secured Parties; (3) making, completing or confirming any release of any Collateral or guarantee that is otherwise permitted under the terms of this Agreement and the other First Lien Documents; (4) correcting any typographical errors; (5) providing for additional obligations of the Grantors (including any Additional First-Out Debt); (6) providing for, evidencing or effectuating other actions that are permitted by the First Lien Documents, including the incurrence of Additional First-Out Debt and First-Out Hedging Obligations, and not otherwise prohibited by this Agreement and the other applicable First Lien Documents, including updating any cross references to other documents in respect of Indebtedness that is refinanced or importing definitions into this Agreement that are incorporated herein by reference to other documents and (7) making any change permitted to be made by the Collateral Agent or Controlling Representative unilaterally without the consent of any other Person by the amendment provisions of any applicable Security Document in effect as of the date hereof;

(C) providing for the assumption of the Company's or any other Grantor's obligations under any First Lien Document in the case of a merger or consolidation or sale of all or substantially all of the properties or assets of the Company or any other Grantor to the extent permitted by the terms of the Senior Credit Facility, the Term Loan Agreement and the other First Lien Documents, as applicable; or

(D) making any change that would provide any additional rights or benefits to the holders of First Lien Debt or the Collateral Agent or that does not adversely affect in any material respect the legal rights under the Term Loan Agreement, the Senior Credit Facility or any other First Lien Document of any holder of First-Out Obligations or Term Obligations, any other Secured Party or the Collateral Agent,

will become effective when executed and delivered by the Company or any other applicable Grantor party thereto and the Collateral Agent;

(ii) no amendment or supplement that amends the provisions of this clause (ii) or reduces, impairs or adversely affects in any material respect the right of any Secured Party:

(A) to vote its outstanding First-Out Debt as to any matter described as subject to a direction by, or the agreement of, the Controlling Representative or amends the definition of "Controlling Representative," "Discharge of First-Out Obligations," "First-Out Debt," "First-Out Obligations," "Required First-Out Debtholders," any other definition containing the words "First-Out" therein or any other defined terms to the extent referenced or implicated therein;

(B) to vote its outstanding Term Debt as to any matter described as subject to a direction by, or the agreement of, the Controlling Representative or amends the definition of "Controlling Representative", "Discharge of Term Obligations," "Term Debt," "Term Obligations," "Required Term Debtholders," any other definition containing the words "First Lien" therein or any other defined terms to the extent referenced or implicated therein;

(C) to share in or change the order of application described in Section 3.4 in the proceeds of an Enforcement Action that has not been released in accordance with the provisions described in Section 4.1 or 4.4; or

(D) to require that Liens securing First Lien Obligations be released only as set forth in the provisions described in Sections 4.1 or 4.4,

will become effective without the consent of each holder of First Lien Debt adversely affected thereby; and

(iii) no amendment or supplement that imposes any obligation upon the Collateral Agent or any Representative or adversely affects the rights or duties of, or any fees or other amounts payable to, the Collateral Agent or any Representative, respectively, in its individual capacity as such will become effective without the consent of the Collateral Agent or such Representative, respectively.

(b) Notwithstanding Section 7.1(a) but subject to Sections 7.1(a)(ii) and 7.1(a)(iii):

(i) any mortgage or other Security Document may be amended or supplemented with the approval of the Collateral Agent (acting at the written direction of the Controlling Representative), unless such amendment or supplement would not be permitted under the terms of this Agreement or any First Lien Document; and

(ii) any mortgage or other Security Document may be amended or supplemented with the approval of the Collateral Agent (but without the consent of or notice to any holder of First Lien Obligations and without any action by any holder of First Lien Obligations) (i) to cure any ambiguity, defect or inconsistency, or (ii) to make other changes that do not have an adverse effect on the validity of the Lien created thereby.

(c) The Collateral Agent will not enter into any amendment or supplement unless it has received an Officer's Certificate certifying that such amendment or supplement will not result in a breach of any provision or covenant contained in any of the First Lien Documents.

Section 7.2 Voting. In connection with any matter under this Agreement requiring a vote or direction of holders of First Lien Debt, each Series of First Lien Debt will cast its votes in accordance with the First Lien Documents governing such Series of First Lien Debt. Following and in accordance with the outcome of the applicable vote under its First Lien Documents, the Representative of each Series of First Lien Debt will vote the total amount of First Lien Debt or provide direction in respect of the same under that Series of First Lien Debt as a block in respect of any vote or direction to be provided under this Agreement. In connection with any matter under this Agreement requiring a vote or direction of Required First-Out Debtholders, each holder of the First-Out Debt will cast its votes in accordance with the First Lien Documents governing its First-Out Debt.

Section 7.3 Further Assurances.

(a) The Company and each of the Grantors will do or cause to be done all acts and things that may be required, or that the Collateral Agent (acting at the written direction of the Controlling Representative) from time to time may reasonably request, to assure and confirm that the Collateral Agent holds, for the benefit of the holders of First Lien Obligations, duly created and enforceable and perfected Liens upon the Collateral (including any property or assets that are acquired or otherwise become, or are required by any First Lien Document to become, Collateral after the date hereof), in each case, as contemplated by, and with the Lien priority required under, the First Lien Documents and in connection with any merger, consolidation or sale of assets of the Company or any Grantor, the property and assets of the Person which is consolidated or merged with or into the Company or any Grantor, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Company or any Grantor shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the First Liens, in the manner and to the extent required under the First Lien Documents.

(b) Upon the reasonable request of the Collateral Agent (acting at the written direction of the Controlling Representative) or any Representative at any time and from time to time, the Company and each of the Grantors will promptly execute, acknowledge and deliver such Security Documents, instruments, certificates, notices and other documents, and take such other actions as may be reasonably required, or that the Collateral Agent (acting at the written direction of the Controlling Representative) may reasonably request, to create, perfect, protect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by the First Lien Documents for the benefit of holders of First Lien Obligations.

Section 7.4 Successors and Assigns.

(a) Except as provided in Section 5.2, the Collateral Agent may not, in its capacity as such, delegate any of its duties or assign any of its rights hereunder, and any attempted delegation or assignment of any such duties or rights will be null and void. All obligations of the Collateral Agent hereunder will inure to the sole and exclusive benefit of, and be enforceable by, each Representative and each Secured Party, each of whom will be entitled to enforce this Agreement as a third-party beneficiary hereof, and all of their respective successors and assigns.

(b) Except as otherwise permitted by the First Lien Documents, neither the Company nor any other Grantor may delegate any of its duties or assign any of its rights hereunder, and any attempted delegation or assignment of any such duties or rights will be null and void. All obligations of the Company, and the Grantors hereunder will inure to the sole and exclusive benefit of, and be enforceable by, the Collateral Agent, each Representative and each Secured Party, each of whom will be entitled to enforce this Agreement as a third-party beneficiary hereof, and all of their respective successors and assigns.

Section 7.5 Delay and Waiver. No failure to exercise, no course of dealing with respect to the exercise of, and no delay in exercising, any right, power or remedy arising under this Agreement or any of the other Security Documents will impair any such right, power or remedy or operate as a waiver thereof. No single or partial exercise of any such right, power or remedy will preclude any other or future exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

Section 7.6 Notices. Any communications, including notices and instructions, between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to the Collateral Agent:	Texas Capital Bank Attention: Denise Wolfenberger Email: denise.wolfenberger@texascapitalbank.com with a copy to: Texas Capital Bank Attention: Agency Management Email: agency@texascapitalbank.com
If to the Term Representative:	Chambers Energy Management, LP 600 Travis Street, Suite 4700 Houston, TX 77002 Attention: Operations Team Email: ops@chambersenergy.com
If to the First-Out Representative:	Mercuria Energy Trading SA Attention: Legal Department 20 Greenway Plaza, Suite 650 Houston, TX 77046 Phone: 832-209-2400
If to the Company or any other Grantor:	HighPeak Energy, Inc. 421 W. 3rd Street, Suite 1000 Fort Worth, TX 76102 Attention: Steven Tholen Email: stholen@highpeakenergy.com
with a copy to:	Vinson & Elkins LLP 1114 Avenue of the Americas, 32nd Floor New York, NY 10036 Attention: David Wicklund Email: dwicklund@velaw.com

and if to any other Representative, to such address as it may specify by written notice to the parties named above.

All notices and communications will be mailed by first class mail, certified or registered, return receipt requested, by overnight air courier guaranteeing next day delivery, or delivered by facsimile or email to the relevant address, number or email address set forth above or, as to holders of First Lien Debt, its address shown on the register kept by the office or agency where the relevant First Lien Debt may be presented for registration of transfer or for exchange. Failure to mail, delivery by facsimile or delivery by email a notice or communication to a holder of First Lien Debt or any defect in it will not affect its sufficiency with respect to other holders of First Lien Debt.

If a notice or communication is mailed, delivered by facsimile or by electronic mail in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

Section 7.7 Entire Agreement. This Agreement states the complete agreement of the parties relating to the undertaking of the Collateral Agent set forth herein and supersedes all oral negotiations and prior writings in respect of such undertaking.

Section 7.8 Severability. If any provision of this Agreement is invalid, illegal or unenforceable in any respect or in any jurisdiction, the validity, legality and enforceability of such provision in all other respects and of all remaining provisions, and of such provision in all other jurisdictions, will not in any way be affected or impaired thereby.

Section 7.9 Headings. Section headings herein have been inserted for convenience of reference only, are not to be considered a part of this Agreement and will in no way modify or restrict any of the terms or provisions hereof.

Section 7.10 Obligations Secured. All obligations of the Grantors set forth in or arising under this Agreement will be First Lien Obligations and are secured by all Liens granted by the Security Documents.

Section 7.11 Governing Law.

(a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, WITHOUT REFERENCE TO CHOICE OF LAW PRINCIPLES THEREOF OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK.

(b) ANY LEGAL ACTION OR PROCEEDING ARISING UNDER THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN OR THE COURTS OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PARTY HERETO CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THOSE COURTS AND AGREES THAT IT WILL NOT COMMENCE OR SUPPORT ANY SUCH ACTION OR PROCEEDING IN ANOTHER JURISDICTION. EACH PARTY HERETO IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR OTHER DOCUMENT RELATED HERETO. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN THE MANNER PROVIDED FOR NOTICES (OTHER THAN TELECOPIER OR OTHER ELECTRONIC TRANSMISSION) IN SECTION 7.5. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT OR ANY SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION TO ENFORCE ANY AWARD OR JUDGMENT OR EXERCISE ANY RIGHT HEREUNDER AGAINST ANY COLLATERAL OR ANY OTHER PROPERTY OF ANY CREDIT PARTY IN ANY OTHER FORUM IN ANY JURISDICTION IN WHICH COLLATERAL IS LOCATED.

Section 7.12 Waiver of Jury Trial. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION 7.11 WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 7.13 Counterparts, Electronic Signatures. This Agreement may be executed in any number of counterparts (including by facsimile or other electronic means), each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument. The parties hereto may sign this Agreement and any Collateral Agency Joinder and transmit the executed copy by electronic means, including facsimile or non-editable *.pdf files. The electronic copy of the executed Agreement and any Collateral Agency Joinder is and shall be deemed an original signature. The words “execution,” “signed,” “signature,” and words of like import in this Agreement shall be deemed to include electronic signatures or electronic records, 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.

Section 7.14 Effectiveness. This Agreement will become effective upon the execution of a counterpart hereof by each of the parties hereto.

Section 7.15 Grantors. Each Grantor represents and warrants that it has duly executed and delivered this Agreement. The Company will cause each Person that hereafter becomes a Grantor or is required by any First Lien Document to become a party to this Agreement to become a party to this Agreement, for all purposes of this Agreement, by causing such Person to execute and deliver to the Collateral Agent a Collateral Agency Joinder, whereupon such Person will be bound by the terms hereof to the same extent as if it had executed and delivered this Agreement as of the date hereof. The Company shall promptly provide each Representative with a copy of each Collateral Agency Joinder executed and delivered pursuant to this Section 7.14; provided that the failure to so deliver a copy of the Collateral Agency Joinder to any then existing Representative shall not affect the inclusion of such Person as a Grantor if the other requirements of this Section 7.14 are complied with.

Section 7.16 Continuing Nature of this Agreement. This Agreement and the rights and obligations hereunder, including the priority payment rights of the First-Out Secured Parties, will be reinstated following termination if at any time any payment or distribution in respect of any of the First Lien Obligations is rescinded or avoided or must otherwise be returned in an Insolvency or Liquidation Proceeding or otherwise by any Secured Party, Representative or any representative of any such party (whether by demand, settlement, litigation or otherwise). If all or any part of a payment or distribution made with respect to the First-Out Obligations is recovered from any holder of Term Obligations or any Term Representative in an Insolvency or Liquidation Proceeding or otherwise, such payment or distribution received by any holder of Term Obligations or Term Representative with respect to the Term Obligations from the proceeds of any Collateral at any time after the date of the payment or distribution that is so recovered, whether pursuant to a right of subrogation or otherwise, such Term Representative or holder of a Term Obligation, as the case may be, will forthwith deliver the same to the Collateral Agent, for the ratable account of the holders of the First-Out Obligations to be applied in accordance with Section 3.4. Until so delivered, such proceeds will be held in trust by such Term Representative or holder of Term Obligations, as the case may be, for the ratable benefit of the holders of the First-Out Obligations.

Section 7.17 Insolvency. This Agreement will be applicable both before and after the commencement of any Insolvency or Liquidation Proceeding by or against any Grantor. The relative rights, as provided for in this Agreement, will continue after the commencement of any such Insolvency or Liquidation Proceeding on the same basis as prior to the date of the commencement of any such case, as provided in this Agreement.

Section 7.18 Rights and Immunities of Representatives. The Term Representative will be entitled, to the extent applicable to such entity, to all of the rights, protections, immunities and indemnities set forth in the Term Loan Agreement, the First-Out Agent will be entitled, to the extent applicable to such entity, to all of the rights, protections, immunities and indemnities set forth in the Senior Credit Facility and any future Representative will be entitled to all of the rights, protections, immunities and indemnities set forth in the applicable First Lien Documents with respect to which such Person will act as representative, in each case as if specifically set forth herein. In no event will any Representative be liable for any act or omission on the part of the Grantors or the Collateral Agent hereunder.

Section 7.19 Intercreditor Agreement. The Collateral Agent agrees to enter into any agreements, amendments, joinders, releases or other instruments constituting or related to the Security Documents, without any further consent of any Secured Party (including, for the avoidance of doubt, to add Additional First-Out Debt (to the extent permitted to be incurred and secured by the applicable First Lien Documents) and add other parties (or any authorized agent or trustee therefor) holding such Indebtedness thereto and to establish that the Lien on any Collateral securing such Indebtedness ranks equally with the Liens on such Collateral securing all other First Lien Debt then outstanding) to the extent permitted by the applicable First Lien Documents). Notwithstanding anything to the contrary contained herein, to the extent that any Lien on any Collateral is perfected by the possession or control of such Collateral or of any account in which such Collateral is held, and if such Collateral or any such account is in fact in the possession or under the control of the Collateral Agent, or of agents or bailees of the Collateral Agent, the perfection actions and related deliverables described in this Agreement or the other Security Documents shall be deemed satisfied as to such Collateral.

Section 7.20 Force Majeure. In no event shall the Collateral Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 7.21 USA Patriot Act; Beneficial Ownership. The parties hereto acknowledge that in accordance with Section 326 of the USA Patriot Act (the "Patriot Act"), the Collateral Agent, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required pursuant to the requirements of the Patriot Act and 31 C.F.R. §1010.230 (as amended, the "Beneficial Ownership Regulation") to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Collateral Agent. The parties to this Agreement agree that they will provide the Collateral Agent with such information as it may request in order for the Collateral Agent to satisfy the requirements of the Patriot Act and the Beneficial Ownership Regulation.

Section 7.22 Limitation on Liability. Notwithstanding anything to the contrary in this Agreement, none of the Secured Parties shall have any claims with respect to the transactions contemplated by the First Lien Documents against any present or future holder (whether direct or indirect) of any capital stock in any Grantor (other than the Grantors), or, in each case, any of their respective Affiliates (other than the Grantors), shareholders, officers, directors, members, managers, partners, employees, representatives, controlling persons, executives or agents (collectively, the "Non-Recourse Persons") by virtue of their capacity as such, such claims against such Non-Recourse Persons (including as may arise by operation of law) being expressly waived hereby; provided that the foregoing provision of this Section 7.21 shall not (a) constitute a waiver, release or discharge (or otherwise impair the enforceability) of any of the First Lien Obligations, or of any of the terms, covenants, conditions, or provisions of this Agreement or any other First Lien Document and the same shall continue (but without liability of the Non-Recourse Persons) until fully paid, discharged, observed or performed, (b) constitute a waiver, release or discharge of any lien or security interest purported to be created pursuant to the Security Documents (or otherwise impair the ability of any Secured Party to realize or foreclose upon any Collateral), (c) limit or restrict the right of the Collateral Agent, any Representative or any other Secured Party (or any assignee, beneficiary or successor to any of them) to name any Grantor or any other Person as a defendant in any action or suit for a judicial foreclosure or for the exercise of any other remedy under or with respect to any First Lien Document, or for injunction or specific performance, so long as no judgment in the nature of a deficiency judgment shall be enforced against any Non-Recourse Person, except as expressly set forth in clauses (d) and (e) of this Section 7.21; (d) in any way limit or restrict any right or remedy of the Collateral Agent, any Representative or any other Secured Party (or any assignee or beneficiary thereof or successor thereto) with respect to, and each of the Non-Recourse Persons shall remain fully liable to the extent that it would otherwise be liable for its own actions with respect to, any fraud, willful misrepresentation, or misappropriation of revenues, profits or proceeds from or of any Collateral that should or would have been paid as provided herein or paid or delivered to the Collateral Agent, any Representative or any other Secured Party (or any assignee or beneficiary thereof or successor thereto) towards any payment required under this Agreement or any other First Lien Document, or (e) affect or diminish in any way or constitute a waiver, release or discharge of any obligation, covenant, or agreement made by any of the Non-Recourse Persons (or any security granted by the Non-Recourse Persons in support of the obligations of any Person) under or in connection with any First Lien Document (or as security for the First Lien Obligations of the Grantors). The limitations on recourse set forth in this Section 7.21 shall survive the Discharge of First Lien Obligations.

Section 7.23 Specific Performance. The parties hereto stipulate and agree that (a) monetary damages for any breach of this Agreement would be difficult or impossible to calculate, (b) monetary damages are inadequate to compensate the non-breaching party(ies) for any breach of this Agreement, (c) equitable relief, including specific performance, shall be allowed as a remedy for any breach, or threatened breach, of this Agreement, (d) no bond or similar security shall be required for such equitable relief, and (e) any right to such bond or similar security is hereby irrevocably waived.

Section 7.24 Payment of Expenses. The Company pay or reimburse the Collateral Agent and each Representative on demand for all of their respective reasonable out of pocket costs and expenses incurred in connection with the development, preparation and execution of, this Agreement and any amendment, supplement, waiver, modification or joinder to, this Agreement and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including, the reasonable fees and disbursements and other charges of counsel to Collateral Agent and each Representative.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Collateral Trust and Intercreditor Agreement to be executed by their respective officers or representatives as of the day and year first above written.

HIGHPEAK ENERGY, INC.,
as the Company

By: /s/ Jack Hightower
Name: Jack Hightower
Title: Chief Executive Officer

HIGHPEAK ENERGY HOLDINGS, LLC

By: /s/ Jack Hightower
Name: Jack Hightower
Title: President

LAZY JJ PROPERTIES, LLC

By: /s/ Jack Hightower
Name: Jack Hightower
Title: President

HIGHPEAK ENERGY ACQUISITION CORP.

By: /s/ Jack Hightower
Name: Jack Hightower
Title: Chief Executive Officer

HIGHPEAK ENERGY ASSETS, LLC

By: /s/ Jack Hightower
Name: Jack Hightower
Title: President

HIGHPEAK ENERGY EMPLOYEES, INC.

By: /s/ Jack Hightower
Name: Jack Hightower
Title: Chief Executive Officer

TEXAS CAPITAL BANK,
as Collateral Agent

By: /s/ Jared R. Mills
Name: Jared R. Mills
Title: Executive Director

CHAMBERS ENERGY MANAGEMENT, LP,
as the Term Representative

By: /s/ J. Robert Chambers
Name: J. Robert Chambers
Title: President and CEO

MERCURIA ENERGY TRADING SA,
as First-Out Representative and a Senior Hedging Party

By: /s/ Francois Sornay
Name: Francois Sornay
Title: Director

Exhibit 99.1

HighPeak Energy, Inc. Announces the Closing of a $1.2 Billion Term Loan Financing and Company Update

Fort Worth, Texas, September 15, 2023 (GLOBE NEWSWIRE) - HighPeak Energy, Inc. ("HighPeak" or the "Company") (NASDAQ: HPK) today announced the successful completion of a transformative debt refinancing. The Company entered into a senior secured term loan credit agreement (the "2023 Term Loan") among the Company, as borrower, Texas Capital Bank ("Texas Capital"), as Administrative Agent, and Chambers Energy Management, LP ("Chambers"), as Collateral Agent. The 2023 Term Loan has an aggregate principal amount of $1.2 billion and a maturity date of September 30, 2026. In addition, the 2023 Term Loan provides us with the ability to enter into a super senior revolving credit facility in an amount up to $100 million, providing HighPeak with flexibility to further increase our committed financing.

Financing Update

The Company used a portion of the net proceeds from the 2023 Term Loan to fully repay its 10.000% Senior Notes due February 2024, its 10.625% Senior Notes due November 2024, its outstanding borrowings under its reserve-based credit facility dated as of December 17, 2020 (as amended from time to time, the "2020 Credit Agreement"), and intends to utilize the remaining proceeds for general corporate purposes. In connection with the termination of the 2020 Credit Agreement, all outstanding obligations for principal, interest and fees under the 2020 Credit Agreement were paid in full, and all liens securing such obligations and any letters of credit and hedging obligations, and guarantees of such obligations, were released.

Loans under the 2023 Term Loan bear interest at a rate per annum equal to the Adjusted Term SOFR (as defined in the 2023 Term Loan) plus an applicable margin of 7.50%. The loans are guaranteed by the Company and are secured by a first lien security interest in substantially all assets of the Company.

Key highlights of this milestone refinancing include:

Debt Maturity Extension: The 2023 Term Loan streamlines the Company's capital structure, extends its debt maturities to September 2026 and secures its financial position in an everchanging banking market by providing financial certainty and removing the risks associated with standard borrowing base redeterminations.

Increased Liquidity: The refinancing, coupled with the ongoing increase in commodity prices, has significantly increased the Company's liquidity and financial flexibility. HighPeak is currently generating free cash flow and expects to begin reducing its debt balance moving forward. Proforma for this refinancing and our recent public equity offering, our liquidity at June 30, 2023 would have been approximately $200 million.

Jack Hightower, HighPeak Chairman and CEO, commented on this significant development, saying, "This refinancing marks a pivotal moment in our company's journey. The combination of this debt refinancing and the equity offering completed in July demonstrates that stakeholders on all sides of the capital structure have a high level of confidence in our team and our asset base. We would like to thank Texas Capital, Chambers Energy, and the diversified, sophisticated energy lender group who did a tremendous amount of due diligence and analysis on our assets. This unparalleled transaction is one of the largest privately arranged financings for a public energy company. The unique structure provides the company with the ability to have a long-term capital plan, financial security, and great flexibility to repay the loan in advance. We are stronger, more resilient and equipped to seize opportunities in this dynamic energy market. We believe this newfound financial strength will enable the company to pursue strategic opportunities and drive shareholder value."

Company Update

In connection with the announcement of the refinancing transaction, the Company provided the following operational update. The Company's third-quarter production has continued to average over 50,000 Boe per day in line with our expectations. The Company also provided the following update to its proved developed reserves:

Proved Developed Reserves at August 1, 2023(1)

	Net Proved Developed Reserves					
Reserve Category	**Oil (MMBbl)**	**Gas (Bcf)**	**NGL (MMBbl)**	**Total (MMBoe)**	**% Liquids**	**PV-10(2) ($B)**
Proved Developed Producing (PDP)	59.6	44.1	10.6	77.5	91%	$ 2.37
Proved Developed Non-Producing (PDNP)	11.2	4.3	1.2	13.1	95%	$ 0.43
Total Proved Developed Reserves	**70.8**	**48.3**	**11.7**	**90.6**	**91%**	**$ 2.81**

(1) Management estimates based on flat pricing of $80/bbl and $3/mcf
(2) PV-10 is a non-GAAP measure

Hightower continued, "At current prices of around $90 per barrel, the value of our proved developed reserves increases to approximately $3.2 billion on a PV-10 basis. Our proved developed reserves have increased approximately 50% from year-end, which demonstrates the quality of our assets and our ability to effectively develop our acreage position. Our ongoing drilling campaign continues to highlight the value of our oil rich reservoirs and the differentiated economics associated with our large recoverable resource base. In response to favorable commodity conditions and increased financial resources, we are planning on adding a third drilling rig in the fourth quarter, further bolstering our capacity to develop and extract valuable energy resources. Our current third-quarter production of over 50,000 Boe per day would generate an annualized EBITDA run-rate of approximately $1.2 billion at current prices. The addition of another drilling rig underscores our commitment to responsible and efficient resource extraction, while our enhanced profitability will benefit our shareholders."

TCBI Securities, Inc., doing business as Texas Capital Securities, served as financial advisor to HighPeak and sole arranger of the 2023 Term Loan. Texas Capital Bank is serving as Administrative Agent and Chambers Energy Management, LP, is serving as Collateral Agent for the 2023 Term Loan.

HighPeak remains dedicated to adhering to industry best practices in environmental sustainability, safety, and corporate responsibility throughout its operations. For more information about HighPeak Energy and its recent refinancing, please visit www.highpeakenergy.com.

About HighPeak Energy, Inc.

HighPeak Energy, Inc. is a publicly traded independent crude oil and natural gas company, headquartered in Fort Worth, Texas, focused on the acquisition, development, exploration and exploitation of unconventional crude oil and natural gas reserves in the Midland Basin in West Texas.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, with respect to the offering and the use of proceeds. These forward-looking statements represent the Company's expectations or beliefs concerning future events. These forward-looking statements are subject to risks and uncertainties related to market conditions and the satisfaction of customary closing conditions related to the offering. There can be no assurance that the Company will be able to complete the offering. When used in this document, including any oral statements made in connection therewith, the words "could," "should," "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management's current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. Except as otherwise required by applicable law, the Company disclaims any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date on which they are made. The Company cautions you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond the control of the Company, incident to the development, production, gathering and sale of oil, natural gas and natural gas liquids.

These risks and uncertainties include, among other things, the results of the strategic review being undertaken by the Company's Board and the interest of prospective counterparties, the Company's ability to realize the results contemplated by the updated 2023 guidance, volatility of commodity prices, product supply and demand, the impact of a widespread outbreak of an illness, such as the coronavirus disease pandemic, on global and U.S. economic activity, competition, the ability to obtain environmental and other permits and the timing thereof, other government regulation or action, the ability to obtain approvals from third parties and negotiate agreements with third parties on mutually acceptable terms, litigation, the costs and results of drilling and operations, availability of equipment, services, resources and personnel required to perform the Company's drilling and operating activities, access to and availability of transportation, processing, fractionation, refining and storage facilities, HighPeak Energy's ability to replace reserves, implement its business plans or complete its development activities as scheduled, access to and cost of capital, the financial strength of counterparties to any credit facility and derivative contracts entered into by HighPeak Energy, if any, and purchasers of HighPeak Energy's oil, natural gas liquids and natural gas production, uncertainties about estimates of reserves, identification of drilling locations and the ability to add proved reserves in the future, the assumptions underlying forecasts, including forecasts of production, expenses, cash flow from sales of oil and gas and tax rates, quality of technical data, environmental and weather risks, including the possible impacts of climate change, cybersecurity risks and acts of war or terrorism. These and other risks are described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K and other filings with the SEC. The Company undertakes no duty to publicly update these statements except as required by law.

Investor Contact:

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Source: HighPeak Energy, Inc.