

EXERCISE**CLOSING CHECKLISTS FOR LENDING DEALS***Background*

You're staffed on a mid-market syndicated deal that's been going on for about a month. You're going on vacation, so a colleague is taking over for you. To get her up to speed, you send her the closing checklist and schedule a call to talk it over.

Instructions

Using the attached closing checklist or the checklist provided by your firm, come prepared to discuss the following:

- Who are the main parties?
- When was the checklist last updated?
- Which party updated the checklist last?
- Who holds the pen on the credit agreement?
- Are there any outstanding issues worth mentioning?

CLOSING CHECKLIST ¹

for

CREDIT AGREEMENT

by and among

**Tempo Cycles Inc., a Delaware corporation
as Borrower,**

**the Lenders referred to therein,
as Lenders,**

**Median National Bank
as Administrative Agent**

and

**Median National Bank and JJ Capital Partners, LLC,
as Joint Arrangers and Joint Bookrunners**

**Median National Bank
as Administrative Agent and Collateral Agent**

Closing Date: June [9], 2021

¹ Capitalized terms used but not otherwise defined in this Closing Checklist have the meanings ascribed to such terms in the Credit Agreement. This Closing Checklist is intended only to summarize the conditions precedent to closing the Credit Agreement, and may not be exhaustive. For a complete list of conditions precedent to closing, please consult the Credit Agreement.

Transaction Parties

Credit Parties

Borrower Tempo Cycles Inc., a Delaware corporation
Holdco..... Tempo Cycles Holdco Inc., a Delaware corporation
Guarantors..... Holdco, and each domestic Subsidiary of Holdco identified on Annex D attached hereto.
Credit Parties Borrower and each Guarantor

Lenders and Agent Parties

Median National Median National Bank
JJ Capital JJ Capital Partners, LLC
Lenders..... Each of Median National and each other financial institution from time to time party to the Credit Agreement as a Lender.
Administrative Agent..... Median National
Collateral Agent..... Median National

Legal Counsel

BC..... Garcia, Clarke & Gallagher LLP (Borrower's Counsel)
LC..... Jones, Sandoval & Donovan LLP (Administrative Agent's, Collateral Agent's, and Lenders' Counsel)
PA local counsel BC to confirm PA local counsel

NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
I.	CREDIT DOCUMENTS			
1.	Credit Agreement	LC	Borrower Lenders Administrative Agent	LC draft sent 6/4/21
2.	Schedules to Credit Agreement			
	(a) Schedule 1.1: Commitments and Commitment Percentages	Borrower/BC	N/A	LC to confirm final Commitments and Commitment Percentages
	(b) Schedule 7.1: Jurisdictions of Organization and Qualification	Borrower/BC	N/A	Outstanding
	(c) Schedule 7.2: Subsidiaries and Capitalization	Borrower/BC	N/A	Outstanding
	(d) Schedule 7.8: Environmental Matters	Borrower/BC	N/A	Outstanding
	(e) Schedule 7.9: ERISA Plans	Borrower/BC	N/A	Outstanding
	(f) Schedule 7.18: Real Property	Borrower/BC	N/A	Outstanding
	(g) Schedule 7.19: Litigation	Borrower/BC	N/A	Outstanding
	(h) Schedule 8.18: Specified Real Property	Borrower/BC	N/A	Outstanding
	(i) Schedule 9.1: Existing Indebtedness	Borrower/BC	N/A	Outstanding
	(j) Schedule 9.2: Existing Liens	Borrower/BC	N/A	Outstanding
	(k) Schedule 9.3: Existing Investments	Borrower/BC	N/A	Outstanding
	(l) Schedule 9.7: Transactions with Affiliates	Borrower/BC	N/A	Outstanding
3.	Exhibits to Credit Agreement			

NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
	(a) Exhibit A-1: Form of Revolving Credit Note	LC	N/A	Form agreed
	(b) Exhibit A-2: Form of Swingline Note	LC	N/A	Form agreed
	(c) Exhibit A-3: Form of Term Loan Note	LC	N/A	Form agreed
	(d) Exhibit B: Form of Notice of Borrowing	LC	N/A	Form agreed
	(e) Exhibit C: Form of Notice of Account Designation	LC	N/A	Form agreed
	(f) Exhibit D: Form of Notice of Prepayment	LC	N/A	Form agreed
	(g) Exhibit E: Form of Notice of Conversion/Continuation	LC	N/A	Form agreed
	(h) Exhibit F: Form of Officer's Compliance Certificate	LC	N/A	Form agreed
	(i) Exhibit G: Form of Assignment and Assumption	LC	N/A	Form agreed
	(j) Exhibit H-1: Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Lenders)	LC	N/A	Form agreed
	(k) Exhibit H-2: Form of U.S. Tax Compliance Certificate (Non-Partnership Foreign Participants)	LC	N/A	Form agreed
	(l) Exhibit H-3: Form of U.S. Tax Compliance Certificate (Foreign Participant Partnerships)	LC	N/A	Form agreed
	(m) Exhibit H-4: Form of U.S. Tax Compliance Certificate (Foreign Lender Partnerships)	LC	N/A	Form agreed
	(n) Exhibit I – Form of Guaranty Agreement	LC	N/A	Form agreed
4.	Term Loan Note	LC	Borrower	LC draft sent 6/4/21
5.	Revolving Credit Note	LC	Borrower	LC draft sent 6/4/21
6.	Notice of Borrowing	Borrower/BC	Borrower	BC to deliver 3 Business Days prior to Closing
7.	Fee Letter	LC	Borrower Median National	Complete

NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
			JJ Capital	
II.	GUARANTEE AND COLLATERAL DOCUMENTS			
8.	Guaranty Agreement	LC	Guarantors Collateral Agent	Form agreed
9.	Annex1: Form of Accession Agreement	LC	N/A	<i>Attached to Guaranty Agreement</i>
10.	Security Agreement	LC	Credit Parties Collateral Agent	Form agreed
11.	Schedules to Security Agreement			
	(a) Schedule 1: Commercial Tort Claims	Borrower/BC	N/A	Outstanding
	(b) Schedule 2: Filings and Perfection	Borrower/BC	N/A	Outstanding
	(c) Schedule 3: Grantor Information	Borrower/BC	N/A	Outstanding
	(e) Schedule 4: Pledged Debt	Borrower/BC	N/A	Outstanding
	(f) Schedule 5: Intellectual Property	Borrower/BC	N/A	Outstanding
12.	Exhibits to Security Agreement			
	(a) Exhibit 1: Form of Trademark Security Agreement	LC	N/A	<i>Attached to Security Agreement</i>
	(b) Exhibit 2: Form of Patent Security Agreement	LC	N/A	<i>Attached to Security Agreement</i>
	(c) Exhibit 3: Form of Copyright Security Agreement	LC	N/A	<i>Attached to Security Agreement</i>
	(d) Exhibit 4: Form of IP Supplement	LC	N/A	<i>Attached to Security Agreement</i>
	(e) Exhibit 5: Form of Joinder to Guarantee and Collateral Agreement	LC	N/A	<i>Attached to Security Agreement</i>

13.	Pledge Agreement	LC	Credit Parties Collateral Agent	Form agreed
NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
14.	Schedules to Pledge Agreement			
	(a) Schedule I: Pledged Equity	Borrower/BC	N/A	Outstanding
15.	Exhibits to Pledge Agreement			
	(a) Exhibit I: Form of Pledge Supplement	LC	N/A	<i>Attached to Pledge Agreement</i>
	(b) Exhibit II: Form of Joinder to Pledge Agreement	LC	N/A	<i>Attached to Pledge Agreement</i>
16.	Lien Searches (includes UCC, tax and judgment lien searches)	BC	N/A	Received 5/28/21
17.	IP Searches (trademark, patent and copyright) on the following entities:	BC	N/A	Received 5/28/21
18.	Perfection Certificate	Borrower/BC	Credit Parties	BC draft received 6/4/21; <i>under LC review</i>
19.	Intellectual Property Security Agreement	LC	Borrower Collateral Agent	Form agreed
20.	UCC-1 Financing Statements	LC	N/A	<i>See Annex A</i>
21.	Stock Certificates and Undated Stock Powers for Pledged Stock	Borrower/BC		<i>Items Outstanding -- See Annex B</i>
III.	LEGAL OPINIONS			
22.	Legal Opinion of BC	BC	BC	BC draft received 6/4/21; <i>under LC review</i>
23.	PA Local Counsel Legal Opinion	PA Local Counsel	PA Local Counsel	Outstanding

IV.	PAYOFF AND RELEASE DOCUMENTS			
NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
24.	Payoff Letters (regarding satisfaction of existing indebtedness)			
	(a) Payoff Letter from Westmore Bank, N.A.	BC/Westmore	Westmore Bank, N.A. Credit Parties	Form agreed
25.	UCC-3 Termination Statements	LC	N/A	<i>See Annex C</i>
26.	IP Security Agreement Release	BC/Westmore	Westmore Bank, N.A. Borrower	Form agreed
27.	Landlord Waiver Terminations	BC/Westmore	Westmore Bank, N.A. Borrower	Form agreed
28.	Deposit Account Control Agreement Releases	BC/Westmore	Westmore Bank, N.A. Borrower	Form agreed
V.	ORGANIZATIONAL DOCUMENTS AND CLOSING CERTIFICATES			
29.	Omnibus Secretary's Certificate (with attachments)	BC	Credit Parties	<i>See Annex D</i>
30.	Officer's Closing Certificate	BC	Responsible Officer of Borrower	BC draft received 6/4/21; <i>under LC review</i>
31.	Solvency Certificate	BC	Borrower	BC draft received 6/4/21; <i>under LC review</i>
VIII.	MISCELLANEOUS DOCUMENTS, ETC.			
32.	PATRIOT Act/KYC Diligence Items	BC/Borrower	N/A	Complete

33.	Consolidated Balance Sheet; Pro Forma Financial Statements; Financial Projections; (delivery of financial statements consistent with Section 6.1(e) of the Credit Agreement)	BC/Borrower	N/A	Complete
NO.	DOCUMENT	RESPONSIBLE PARTY	SIGNATORIES	STATUS / COMMENTS
34.	Insurance Certificates (evidencing loss payable and/or additional insured clauses and endorsements, as requested by Collateral Agent, in favor of Collateral Agent)	BC/Borrower	N/A	Form agreed
35.	Insurance Endorsements	BC/Borrower	N/A	
36.	Governmental Consents and Approvals	BC/Borrower	N/A	
37.	Notice of Account Designation	BC/Borrower	Borrower	Form agreed
38.	Funds Flow Memorandum	Lenders	N/A	
39.	Due Diligence	Borrower/Lender	N/A	<i>See Annex E</i>
40.	Bringdown Good Standing Certificates	Borrower/BC	N/A	To be provided the morning of Closing
41.	Payment of Fees and Expenses	Borrower	N/A	To occur at Closing
IX.	POST CLOSING ITEMS			
42.	[_____]	[_____]		Post-closing items TBD

Annex A – UCC-1 Financing Statements

Credit Party	Jurisdiction of Organization	Status	Filed?
1. Tempo Cycles Holdco Inc.	DE	Form agreed	
2. Tempo Cycles Inc.	DE	Form agreed	
3. SPI Components Inc.	PA	Form agreed	
4. Tempo Apparel Co.	DE	Form agreed	
5. Tempo Racing Inc.	DE	Form agreed	
6. New Star Racing Inc.	DE	Form agreed	

Annex B – Stock Certificates and Undated Transfer Powers

Issuer	Holder	Certificate No.	Type and No. of Shares	Status	Undated Transfer Powers Status	Originals Delivered?
1. Tempo Cycles, Inc.	Tempo Cycles Holdco Inc.	1	1000 shares of Common Stock	BC to provide PDF scan	BC draft outstanding	
2. SPI Components Inc.	Tempo Cycles Inc.	1	1000 shares of Common Stock	BC to provide PDF scan	BC draft outstanding	
3. Tempo Apparel Co.	SPI Components Inc.	1	1000 shares of Common Stock	BC to provide PDF scan	BC draft outstanding	
4. Tempo Racing Inc.	Tempo Cycles Holdco Inc.	1	1000 shares of Common Stock	BC to provide PDF scan	BC draft outstanding	
5. New Star Racing Inc.	Tempo Racing Inc.	1	1000 shares of Common Stock	BC to provide PDF scan	BC draft outstanding	

Annex C – UCC-3 Termination Statements

Credit Party	Secured Party	Filing Jurisdiction	Original Filing Number	Status	Filed?
1. Tempo Cycles Inc.	Westmore	DE	2016-09778268	Form agreed	
2. Tempo Cycles Holdco Inc.	Westmore	DE	2016-09778269	Form agreed	
3. SPI Components Inc.	Westmore	PA	2016-09778270	Form agreed	
4. Tempo Apparel Co.	Westmore	DE	2016-09778271	Form agreed	
5. Tempo Racing Inc.	Westmore	DE	2016-09778272	Form agreed	
6. New Star Racing Inc.	Westmore	DE	2016-09778273	Form agreed	

Annex D – Credit Parties and Organizational Documents

Credit Party	Jurisdiction of Organization	Secretary's Certificate	Resolutions	Certified Articles of Incorporation/Organization (date of certification)	Bylaws/Operating Agreement	Good Standing Certificate (date of certificate)	Incumbency Certificate
1. Tempo Cycles Holdco Inc.	DE	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed
2. Tempo Cycles Inc.	DE	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed
3. SPI Components Inc.	PA	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed
4. Tempo Apparel Co.	DE	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed
5. Tempo Racing Inc.	DE	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed
6. New Star Racing Inc.	DE	Form agreed	Form agreed	Received (5/28/21)	Received 5/18/21	Received (6/1/21)	Form agreed

Annex E – Due Diligence Requests

Diligence Request	Status
1. Charter documents of Credit Parties	Complete
2. Bylaws/operating agreements of Credit Parties	Complete
3. Organizational Chart of the Credit Parties	Complete
4. Good Standing Certificates of Credit Parties	Complete
5. List of deposit accounts and securities accounts	Complete
6. Inventory appraisal	Complete
7. Copy of lease for Borrower's headquarters	Complete
8. Copies of Credit Parties' material customer contracts (Top 10 by annual revenue)	Complete
9. Copies of Credit Parties' material supplier contracts (Top 10 by annual expense)	Complete
10. Copy of existing Westmore Bank loan agreement and other loan documents	Complete
11. Copies of existing Westmore Bank security documents	Complete
12. Copies of any complaints or other litigation materials pending or filed against any Credit Party within the last 3 years	Complete
13. Copies of any pension plan documents or confirmation there are none	Complete
14. UCC Search Report & Copies of all financing statements	Complete