

**CITIBANK, N.A.**

**JFIN CLO 2017-II LTD.**

**JFIN CLO 2017-II LLC**

**NOTICE TO HOLDERS**

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE SUBJECT SECURITIES. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE SECURITIES IN A TIMELY MANNER.

**Notice Date:** **June 23, 2023**

To: The Holders of the Notes and the Subordinated Notes described as:

Class of Notes	CUSIP*
Class AR Note (144A)	46593CAA7
Class BR Note (144A)	46593CAC3
Class C2R Note (144A)	46593CAE9
Class D Note (144A)	03753LAJ5
Class E Note (144A)	03753MAA2
Subordinated Note (144A)	03753MAC8
Class AR Note (REG S)	G5141VAA1
Class BR Note (REG S)	G5141VAB9
Class C2R Note (REG S)	G5141VAC7
Class D Note (REG S)	G0471UAE6
Class E Note (REG S)	G0471VAA2
Subordinated Note (REG S)	G0471VAB0
Subordinated Note (CERTIFICATED)	03753MAD6

*and*

The Additional Parties Listed on Schedule I hereto

Reference is hereby made to the Indenture, dated as of September 27, 2017 (as amended by the First Supplemental Indenture, dated as of August 3, 2021, as amended by the Second Supplemental Indenture, dated as of November 10, 2021 and as further amended, modified or

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\* No representation is made as to the correctness or accuracy of the CUSIP numbers either as printed on the Secured Notes or the Subordinated Notes, as applicable, or as contained in this notice. Such numbers are included solely for the convenience of the Holders.

supplemented from time to time, the “Indenture”) among JFIN CLO 2017-II LTD., as Issuer (the “Issuer”), JFIN CLO 2017-II LLC, as Co-Issuer (the “Co-Issuer” and together with the Issuer, the “Co-Issuers”), and CITIBANK, N.A., as Trustee (the “Trustee”). Capitalized terms used, and not otherwise defined, herein shall have the meanings assigned to such terms in the Indenture.

Please see the attached notice regarding the transition from LIBOR that the Trustee received from Apex Credit Partners LLC in its capacity as Portfolio Manager (the “Portfolio Manager Notice”) attached hereto as Exhibit A.

Questions with respect to the content of the Portfolio Manager Notice should be directed to Apex Credit Partners LLC, the Portfolio Manager, at [jfin.legal@jefferies.com](mailto:jfin.legal@jefferies.com).

This Notice shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed therein.

**CITIBANK, N.A.**, as Trustee

Additional Parties

Collateral Administrator: Virtus Group, LP  
347 Riverside Avenue  
Jacksonville, Florida 32202  
Attention: JFIN CLO 2017-II LTD.  
Email: apexcreditclo2017IIfisglobal.com

**EXHIBIT A**

Portfolio Manager Notice

**LIBOR Transition Notice**

Citibank, N.A., as Trustee  
388 Greenwich Street  
New York, New York 10013  
Attention: Agency & Trust – JFIN CLO 2017-II Ltd.

Appleby Global Services (Cayman) Limited  
71 Fort Street, P.O. Box 500  
Grand Cayman KY1-1106, Cayman Islands  
Attention: JFIN CLO 2017-II Ltd.

June 23, 2023

Re: Notice of Benchmark Replacement

Reference is made to that certain Indenture, dated as of September 27, 2017 (as amended by the First Supplemental Indenture, dated as of August 3, 2021, as amended by the Second Supplemental Indenture, dated as of November 10, 2021, collectively the “Indenture”), by and among JFIN CLO 2017-II LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), JFIN CLO 2017-II LLC, a limited liability company formed under the laws of the State of Delaware (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”) and CITIBANK, N.A., as trustee (herein, together with its permitted successors and assigns in the trusts hereunder, the “Trustee”) under the Indenture. We are providing this notice in connection with the cessation of LIBOR to notify you of the following:


- The cessation of the London interbank offering rate will occur on June 30, 2023 (the “LIBOR Replacement Date”).
- The Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”) was signed into law on March 15, 2022 and final rule 12 C.F.R. Part 253, “Regulation Implementing the Adjustable Interest Rate (LIBOR) Act (Regulation ZZ)” (the “Regulation”) was adopted by the Board of Governors of the Federal Reserve (the “Board”) on December 16, 2022 and published in the Federal Register on January 23, 2023, with an effective date of February 27, 2023.
- In accordance with Section 2.7(k) of the Indenture, we, as Portfolio Manager, have determined that LIBOR will cease to exist or be reported or updated on the Reuters Screen following the LIBOR Replacement Date.
- For the Eligible Notes, in accordance with Section 2.7(k) of the Indenture, the Portfolio Manager has determined that the following is the “Benchmark Replacement” to replace LIBOR for all Interest Accrual Periods commencing after June 30, 2023:
  - Term SOFR *plus* a Benchmark Replacement Adjustment of 0.26161% (26.161 basis points).

- For Class D and Class E Notes, the Portfolio Manager intends to transition the Indenture from LIBOR to the Benchmark Replacement (which is the Board-selected benchmark replacement) by automatic transition by operation of law pursuant to the LIBOR Act and the Regulation.
- Each of the other Transaction Documents shall be construed in a manner consistent with the terms of this notice.
- Pursuant to Section 2.7(k) of the Indenture (with respect to the Eligible Notes) and the LIBOR Act and the Regulation (with respect to the Class D and Class E Notes), the Portfolio Manager has the right to make Benchmark Replacement Conforming Changes, attached hereto as Exhibit A, which shall become effective without the consent from any other party.

Capitalized terms used but not defined in this notice have the meanings set forth in the Indenture. The Trustee is hereby directed to forward this notice to the Noteholders, the Portfolio Manager, the Collateral Administrator, each Hedge Counterparty, in accordance with the terms of the Indenture.

Very truly yours,

APEX CREDIT PARTNERS LLC, as Portfolio Manager

By:  \_\_\_\_\_

Name: David Wells

Title: Managing Director

**Exhibit A**

**Benchmark Replacement Conforming Changes**

- attached -



**JFIN CLO 2017-II LTD.**

**BENCHMARK REPLACEMENT AND BENCHMARK REPLACEMENT  
CONFORMING CHANGES**

**June 23, 2023**

Reference is made to that certain Indenture, dated as of September 27, 2017 (as amended by the First Supplemental Indenture, dated as of August 3, 2021, as amended by the Second Supplemental Indenture, dated as of November 10, 2021, collectively the “Indenture”), by and among JFIN CLO 2017-II LTD., an exempted company incorporated with limited liability under the laws of the Cayman Islands (the “Issuer”), JFIN CLO 2017-II LLC, a limited liability company formed under the laws of the State of Delaware (the “Co-Issuer” and, together with the Issuer, the “Co-Issuers”) and CITIBANK, N.A., as trustee (the “Trustee”). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Indenture (as amended by these Benchmark Replacement Conforming Changes).

**WITNESSETH:**

WHEREAS, the cessation of the London interbank offering rate will occur on June 30, 2023;

WHEREAS, the Adjustable Interest Rate (LIBOR) Act (the “LIBOR Act”) was signed into law on March 15, 2022 and final rule 12 C.F.R. Part 253, “Regulation Implementing the Adjustable Interest Rate (LIBOR) Act (Regulation ZZ)” (the “Regulation”) was adopted by the Board of Governors of the Federal Reserve (the “Board”) on December 16, 2022 and published in the Federal Register on January 23, 2023, with an effective date of February 27, 2023;

WHEREAS, pursuant to Section 2.7(k) of the Indenture, the Portfolio Manager (on behalf of the Issuer) has delivered a notice, dated June 23, 2023, that in accordance with Section 2.7(k) of the Indenture, it (a) has determined that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred; (b) proposes 3-month CME Term SOFR plus a Benchmark Replacement Adjustment of 0.26161% as the “Benchmark Replacement” to replace LIBOR for all Interest Accrual Periods commencing after June 30, 2023; (c) with respect to the Eligible Notes, has determined such Benchmark Replacement in its reasonable discretion in good faith; and (d) with respect to the Class D Notes and the Class E Notes, the Portfolio Manager intends to transition the Class D Notes and the Class E Notes from LIBOR to the Benchmark Replacement (which is the Board-selected benchmark replacement), by automatic transition by operation of law pursuant to the LIBOR Act and the Regulation; and

WHEREAS, pursuant to Section 2.7(k) of the Indenture, the Portfolio Manager has the right to make Benchmark Replacement Conforming Changes from time to time, which shall become effective without the consent from any other party.

NOW THEREFORE, the Benchmark Replacement and Benchmark Replacement Conforming Changes shall be as follows:

1. Benchmark Replacement. The then-current Benchmark used to calculate the Interest Rate on the Eligible Notes, the Class D Notes and the Class E Notes shall be replaced by the Benchmark Replacement of Term SOFR *plus* a Benchmark Replacement Adjustment of 0.26161% (26.161 basis points).
2. Benchmark Replacement Conforming Changes.
  - a. The Table of Contents of the Indenture is hereby amended by changing the name of Exhibit C to “Calculation of Term SOFR”.
  - b. Section 1.1 of the Indenture is hereby amended by adding the following definitions in their alphabetical order:

“**Adjusted Term SOFR**”: The meaning set forth in Exhibit C hereto.”

“**Floating Rate Floor Obligation**”: As of any date of determination, a Floating Rate Obligation (a) the interest in respect of which is paid based on a SOFR-based index or the London interbank offered rate and (b) that provides that such SOFR-based index or the London interbank offered rate is (in effect) calculated as the greater of (i) a specified "floor" rate *per annum* and (ii) such SOFR-based index or the London interbank offered rate for the applicable interest period for such Collateral Obligation.”

“**Term SOFR Administrator**”: The meaning set forth in Exhibit C hereto.

“**Term SOFR Reference Rate**”: The meaning set forth in Exhibit C hereto.”

“**U.S. Government Securities Business Day**”: The meaning set forth in Exhibit C hereto.”

- c. The following definitions set forth in Section 1.1 of the Indenture are hereby amended and restated in their entirety to read as follows:

“**Aggregate Funded Spread**”: As of any Measurement Date, the sum of, for each Floating Rate Obligation:

(a) for each Floating Rate Obligation (including, for any Deferrable Security which is not a Deferring Security, only the required current cash pay interest required by the Underlying Instruments thereon and excluding any Deferring Security and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) that bears interest at a spread over a SOFR-based index, (i) the excess of the sum of such spread and such index over Term SOFR (after giving effect to any applicable credit spread adjustment) as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation); provided that for purposes of this definition,

the interest rate spread shall be deemed to be, with respect to any Floating Rate Obligation that has a floor based on a SOFR-based index, (i) the stated interest rate spread plus, (ii) if positive, (x) the floor value minus (y) such SOFR-based index (after giving effect to any applicable credit spread adjustment) as in effect for the current Interest Accrual Period; and

(b) for each Floating Rate Obligation (including, for any Deferrable Security which is not a Deferring Security, only the required current cash pay interest required by the Underlying Instruments thereon and excluding any Deferring Security and the unfunded portion of any Delayed Drawdown Collateral Obligation and Revolving Collateral Obligation) that bears interest at a spread over an index other than a SOFR-based index, (i) the excess of the sum of such spread and such index over Adjusted Term SOFR with respect to the Secured Notes as of the immediately preceding Interest Determination Date (which spread or excess may be expressed as a negative percentage) multiplied by (ii) the Principal Balance of each such Collateral Obligation (excluding the unfunded portion of any Delayed Drawdown Collateral Obligation or Revolving Collateral Obligation); provided that for purposes of this definition, the amount calculated in clause (b)(i) shall be deemed to be, with respect to any Floating Rate Obligation that has an interest rate floor, (i) the excess of the sum of such spread and such index over Adjusted Term SOFR with respect to the Secured Notes as of the immediately preceding Interest Determination Date plus, (ii) if positive, (x) the interest rate floor value minus (y) such index as in effect for the current Interest Accrual Period.”

““**Corresponding Tenor**”: 3 months.”

““**Interest Determination Date**”: (i) With respect to the determination of Adjusted Term SOFR, the second U.S. Government Securities Business Day preceding the first day of each Interest Accrual Period, and (ii) with respect to the determination of the Benchmark if the Benchmark is not Adjusted Term SOFR, the time determined by the Portfolio Manager (on behalf of the Issuer) and notified to the Trustee and the Calculation Agent.”

““**Reference Time**”: With respect to any determination of the Benchmark, (1) if the Benchmark is Adjusted Term SOFR, 11:00 a.m. (New York City time) on the day that is two U.S. Government Securities Business Days preceding the date of such determination, and (2) if the Benchmark is not Adjusted Term SOFR, the time determined by the Portfolio Manager in accordance with the Benchmark Replacement Conforming Changes.”

““**SOFR**”: The meaning set forth in Exhibit C hereto.”

““**Term SOFR**”: The meaning set forth in Exhibit C hereto.”

- d. Section 1.1 of the Indenture is hereby amended by deleting the following definitions in their entirety: “LIBOR”, “LIBOR Floor Obligation”, “London Banking Day”, “Reference Banks” and “Reuters Screen”.
- e. The following definitions set forth in Section 1.1 of the Indenture are amended by replacing each occurrence of “LIBOR” or “Libor” therein with “Adjusted Term SOFR”: “Aggregate Excess Funded Spread”, “Assumed Reinvestment Rate”, “Benchmark”, “Fallback Rate” and “Interest Rate”.
- f. The definition of “Benchmark Replacement” set forth in Section 1.1 of the Indenture is hereby amended by (x) deleting the text “the sum of: (i) Term SOFR and (ii) the Benchmark Replacement Adjustment” and (y) replacing such text with “[reserved]”.
- g. Clause (xv) of the definition of “Collateral Obligation” set forth in Section 1.1 of the Indenture is hereby amended by (x) deleting the text “or LIBOR” and (y) replacing such text with “, SOFR-based index or the London interbank offered rate”.
- h. The definition of “Permitted Deferrable Security” set forth in Section 1.1 of the Indenture is hereby amended by (x) deleting the text “LIBOR” and (y) replacing such text with “a SOFR-based index (after giving effect to any applicable credit spread adjustment)”.
- i. The definition of “Senior Secured Floating Rate Note” set forth in Section 1.1 of the Indenture is hereby amended by adding the text “SOFR-based rate,” immediately after the text “bear interest based upon a”.
- j. The following Sections of the Indenture are amended by replacing each occurrence of “LIBOR” therein with “Adjusted Term SOFR”: Section 7.16(a), Section 7.16(c), Section 8.1(viii), Section 9.9(a) and Section 9.9(b)(i).
- k. The “Interest Rate” row of the table set forth in Section 2.3 of the Indenture is hereby amended by, in each instance, (1) (x) deleting the text “LIBOR” and (y) replacing such text with “Benchmark” and (2) deleting the text “<sup>(2)(5)</sup>” and (y) replacing such text with “<sup>(4)</sup>”.
- l. Footnote (2) of the table set forth in Section 2.3 of the Indenture is hereby amended and restated in its entirety to read as follows: “(2) [Reserved]”.
- m. Footnote (2) of the table set forth in Section 2.3 of the Indenture is hereby amended and restated in its entirety to read as follows:

“For each Class, the initial Benchmark shall be Adjusted Term SOFR. The “Corresponding Tenor” for the shall be calculated by reference to three-month Adjusted Term SOFR, in accordance with the applicable definition of “Adjusted Term SOFR”. The spread over the Benchmark with respect to the First Refinancing Notes, other than the Class A-R Notes, may be reduced in

connection with a Re-Pricing of such Class of Notes, subject to the conditions described under Section 9.9. Following a Benchmark Transition Event and its related Benchmark Replacement Date, the Benchmark used to calculate the interest rate on the Eligible Notes shall be changed from Adjusted Term SOFR to a Benchmark Replacement without the consent of any Holder.”

n. Footnote (5) of the table set forth in Section 2.3 of the Indenture is hereby amended and restated in its entirety to read as follows: “(5) [Reserved]”.

o. Section 2.7(k)(iii) of the Indenture is hereby amended and restated in its entirety to read as follows: “(iii) [Reserved]”.

p. Section 7.16(c) of the Indenture is hereby amended by deleting the following text:

“The Calculation Agent shall not have any liability for (x) the selection of Reference Banks or major New York banks whose quotations may be requested and used for purposes of calculating LIBOR, or for the failure or unwillingness of any Reference Banks or major New York banks to provide a quotation or (y) any quotations received from such Reference Banks or New York banks, as applicable. For the avoidance of doubt, if the rate appearing on the Reuters Screen for U.S. Dollar deposits with a term of three months is unavailable, neither the Calculation Agent nor the Trustee shall be under any duty or obligation to take any action other than the Calculation Agent’s obligation to take the actions expressly set forth in the definition of LIBOR, in each case whether or not quotations are provided by such Reference Banks or New York banks, as applicable.”

q. Section 7.16(d) of the Indenture is hereby amended by (1) (x) deleting the text “London time” and (y) replacing such text with “New York City time” and (2) (x) deleting the text “London Banking Day” and (y) replacing such text with “U.S. Government Securities Business Day”.

r. Section 10.6(a)(iv)(E) of the Indenture is hereby amended and restated in its entirety to read as follows:

“(E)(x) The related interest rate or spread (in the case of a Floating Rate Floor Obligation, calculated both with and without regard to the applicable specified “floor” rate *per annum*) and (y) the identity of any Collateral Obligation that is not a Floating Rate Floor Obligation and for which interest is calculated with respect to an index other than a SOFR-based index or the London interbank offered rate;”

s. Section 14.3(a)(iv) of the Indenture is hereby amended and restated in its entirety to read as follows:

“(iv) the Portfolio Manager at Apex Credit Partners LLC, 520 Madison Avenue, New York, New York, 10022, Attention: Chief Legal Officer, telephone no.: (212) 708-2612, email: JFIN.Legal@jefferies.com;”.

- t. Schedule 5 to the Indenture is hereby amended by (x) deleting the text “LIBOR” and (y) replacing such text with “the London interbank offered rate, a SOFR-based index.”.
- u. Exhibit A-1 to the Indenture is hereby amended by (1) (x) deleting the text “[the Benchmark]<sup>10</sup> [LIBOR]<sup>11</sup>” and (y) replacing such text with “the Benchmark”.
- v. Exhibit A-2 to the Indenture is hereby amended by (x) deleting the text “LIBOR” and (y) replacing such text with “Adjusted Term SOFR”.
- w. Exhibit A-3 to the Indenture is hereby amended by (1) (x) deleting the text “[the Benchmark]<sup>10</sup> [LIBOR]<sup>11</sup>” and (y) replacing such text with “the Benchmark”.
- x. Exhibit A-4 to the Indenture is hereby amended by (x) deleting the text “LIBOR” and (y) replacing such text with “Adjusted Term SOFR”.
- y. Exhibit C to the Indenture is hereby amended and restated in its entirety as set forth on Exhibit A attached hereto.

3. Effect of Amendment on Transaction Documents. Upon the effectiveness of the Benchmark Replacement Conforming Changes, each reference to the Indenture in any other document, instrument or agreement executed and/or delivered in connection therewith shall mean and be a reference to the Indenture as amended by the Benchmark Replacement Conforming Changes.

4. Effective Date. The Benchmark Replacement Conforming Changes shall become effective as of the date first set forth above and shall apply to each Interest Accrual Period commencing after June 30, 2023.

5. GOVERNING LAW. THIS DOCUMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK.

6. Miscellaneous. Except as expressly amended herein, the Indenture shall continue to be, and shall remain, in full force and effect in accordance with its terms.

[Signature Pages Follow]

**IN WITNESS WHEREOF**, the undersigned have caused this document to be executed by their respective officers thereunto duly authorized, as of the date hereof.

APEX CREDIT PARTNERS LLC, as Portfolio Manager

By:  \_\_\_\_\_

Name: David Wells

Title: Managing Director

**Exhibit A**

- attached-



## CALCULATION OF TERM SOFR

**“Adjusted Term SOFR”**: For purposes of any calculation, the rate *per annum* equal to (a) Term SOFR for such calculation *plus* (b) 0.26161% (26.161 basis points); provided that, for purposes of calculating the interest due on the Floating Rate Notes, "Adjusted Term SOFR" will at no time be less than 0.0% *per annum*.

**“Term SOFR”**:

(a) with respect to the Floating Rate Notes, for any Interest Accrual Period, means the Term SOFR Reference Rate for the Corresponding Tenor on the related Interest Determination Date, as published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Interest Determination Date the Term SOFR Reference Rate for the Corresponding Tenor has not yet been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for the Corresponding Tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day preceding the Interest Determination Date for which such Term SOFR Reference Rate for the Corresponding 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 (3) U.S. Government Securities Business Days prior to such Interest Determination Date; if Term SOFR cannot be determined in accordance with the foregoing procedures, then until such Base Rate Replacement is established, Term SOFR shall be deemed to be the Term SOFR Reference Rate as determined on the previous Interest Determination Date; and

(b) with respect to a Collateral Obligation, means the Term SOFR rate determined in accordance with the Underlying Instruments of such Collateral Obligation.

For this purpose:

**“SOFR”**: With respect to any day means the rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**“Term SOFR Administrator”**: The CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Portfolio Manager in its reasonable discretion).

**“Term SOFR Reference Rate”**: The forward-looking term rate based on SOFR for the Corresponding Tenor, as published by the Term SOFR Administrator and currently identified on the Term SOFR Administrator’s website at <https://www.cmegroup.com/market-data/cme-group-benchmark-administration/term-sofr.html> or any successor source.

**“U.S. Government Securities Business Day”**: 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.