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): July 7, 2017

RH

(Exact name of registrant as specified in its charter)

Delaware	**001-35720**	**45-3052669**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

15 Koch Road, Suite K, Corte Madera, California	**94925**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (415) 924-1005

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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.

Second Lien Credit Agreement

On July 7, 2017, Restoration Hardware, Inc., a wholly-owned subsidiary of RH, entered into a Credit Agreement (the "Second Lien Credit Agreement"), dated as of July 7, 2017, among Restoration Hardware, Inc., as lead borrower, the guarantors party thereto, the lenders party thereto, each of whom are funds and accounts managed or advised by Apollo Capital Management, L.P., and its affiliated investment managers, and Wilmington Trust, National Association as administrative agent and collateral agent (the "Second Lien Administrative Agent") with respect to an initial term loan in an aggregate principal amount equal to $100,000,000 with a maturity date of January 7, 2023 (the "Second Lien Term Loan").

The Second Lien Term Loan bears interest at an annual rate generally based on LIBOR plus 8.25%. This rate is a floating rate that resets periodically based upon changes in LIBOR rates during the life of the Second Lien Term Loan. At the date of borrowing, the rate was set at one month LIBOR plus 8.25%.

All obligations under the Second Lien Term Loan are secured by a second lien security interest in assets of the loan parties including inventory, receivables and certain types of intellectual property. The second lien security interest is granted with respect to substantially the same collateral that secures the Eleventh Amended and Restated Credit Agreement, dated June 28, 2017 (the "ABL First Lien Credit Agreement"), among Restoration Hardware, Inc., as lead borrower, various other subsidiaries of RH named therein as borrowers, the guarantors party thereto, the lenders party thereto and Bank of America, N.A. as administrative agent and collateral agent (the "First Lien Administrative Agent). The second lien ranks junior in priority and is subordinated to the first lien in favor of the lenders with respect to the ABL First Lien Credit Agreement.

The borrowings under the Second Lien Credit Agreement may be prepaid in whole or in part at any time, subject to certain minimum payment requirements including a prepayment premium in the amount of 3.0% of the Second Lien Term Loan.

The Second Lien Credit Agreement contains various restrictive and affirmative covenants generally in line with the covenants and restrictions contained in the ABL First Lien Credit Agreement including required financial reporting, a negative pledge limiting the granting of liens, limitations on making certain loans or investments other than permitted investments, an incurrence test with respect to additional indebtedness, restricted payment limitations limiting the payment of dividends and certain other transactions and distributions, limits on transactions with affiliates, along with other restrictions and limitations similar to those frequently found in credit agreements of a similar type and size.

The Second Lien Credit Agreement contains a financial ratio covenant not found in the ABL First Lien Credit Agreement based upon a senior secured leverage ratio of consolidated secured debt to consolidated EBITDA as follows:

- The senior secured leverage ratio test is based on the ratio of (i) the sum of (a) all obligations outstanding under the Second Lien Term Loan and the ABL First Lien Credit Agreement plus (b) all other secured indebtedness of RH and certain of its subsidiaries that is (x) senior or pari passu to the lien on the Second Lien Term Loan collateral and (y) secured by property that does not constitute Second Lien Term Loan collateral under the Second Lien Term Loan, less (c) all unrestricted cash and cash equivalents of RH and certain of its subsidiaries, to (ii) consolidated EBITDA of RH and certain of its subsidiaries (the "Senior Secured Leverage Ratio").
- The Senior Secured Leverage Ratio may not exceed 5:00 to 1:00 at any time and new certain types of indebtedness may not be incurred by Restoration Hardware, Inc. or its material subsidiaries that would cause this ratio to exceed 4:00 to 1:00 upon the incurrence of such new indebtedness.

The Second Lien Credit Agreement also contains a consolidated fixed charge coverage ratio generally based on the same formulation set forth in the ABL First Lien Credit Agreement such that the borrower may not make certain "restricted payments" in the event that the ratio of (i) consolidated EBITDA to the amount of (ii) debt service costs plus certain other costs is less than 1.00 to 1.00 (the "FCCR Covenant") and the level of unused availability under the ABL First Lien Credit Agreement drops below certain levels.

The Second Lien Credit Agreement also contains certain events of default and other customary terms and conditions for a second lien credit agreement.

The above description is a summary of certain terms of the Second Lien Credit Agreement and is qualified in its entirety by reference to the Second Lien Credit Agreement, which is attached as Exhibit 10.1 hereto and is incorporated herein by reference.

Intercreditor Agreement

On July 7, 2017, in connection with the Second Lien Credit Agreement, Restoration Hardware, Inc. entered into an Intercreditor Agreement (the "Intercreditor Agreement") with the First Lien Administrative Agent and the Second Lien Administrative Agent. The Intercreditor Agreement establishes various customary inter-lender terms, including, without limitation, with respect to priority of liens, permitted actions by each party, application of proceeds, exercise of remedies in case of default, releases of liens and certain limitations on the amendment of the First Lien Credit Agreement and the Second Lien Credit Agreement without the consent of the other party.

The above description is a summary of certain terms of the Intercreditor Agreement and is qualified in its entirety by reference to the Intercreditor Agreement, which is attached as Exhibit 10.2 hereto and is incorporated herein by reference.

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

The disclosure under Item 1.01 above is incorporated herein by reference.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws, including, without limitation, statements concerning the terms and conditions of the Second Lien Credit Agreement and Intercreditor Agreement, including the potential cost of capital made available to the RH subsidiaries under such Second Lien Credit Agreement, the interest rate associated with the Second Lien Term Loan, the length of time the Second Lien Term Loan may remain outstanding, the covenants and restrictions contained in the Second Lien Credit Agreement, including the Senior Secured Leverage Ratio covenant and FCCR Covenant, and the ability of the loan parties to achieve and maintain compliance with the terms and conditions, including the Senior Secured Leverage Ratio covenant and to the extent applicable the FCCR Covenant, of the Second Lien Credit Agreement and Intercreditor Agreement, from time to time. You can identify forward looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as "if," "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "likely" and other words and terms of similar meaning in connection with any discussion of the timing or nature of future events. We cannot assure you that future developments affecting us will be those that we have anticipated. Important risks and uncertainties that could cause actual results to differ materially from our expectations include, among others, risks and uncertainties concerning the performance of the business, whether or not the availability under the revolving line of credit may be curtailed by virtue of loan term restrictions or the amount of collateral in the borrowing base, general performance of the business, and those other risks and uncertainties disclosed under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in RH's Annual Report on Form 10-K most recently filed with the Securities and Exchange Commission, and similar disclosures in subsequent reports filed with the SEC, which are available on our investor relations website at ir.restorationhardware.com and on the SEC website at www.sec.gov. You should not place undue reliance on these forward-looking statements. Any forward-looking statement made by us on this Current Report on Form 8-K speaks only as of the date on which we make it. RH expressly disclaims any obligation or undertaking to release publicly any updates or revisions to such statements to reflect any change in its expectations with regard thereto or any changes in the events, conditions or circumstances on which any such statement is based.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Credit Agreement, dated as of July 7, 2017, among Restoration Hardware, Inc., as lead borrower, various other subsidiaries of RH named therein as borrowers, the guarantors party thereto, the lenders party thereto and Wilmington Trust, National Association as administrative agent and collateral agent.
10.2	Intercreditor Agreement, dated as of July 7, 2017, among Restoration Hardware, Inc., Bank of America, N.A. and Wilmington Trust, National Association.

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.

RH

Dated: July 13, 2017

By: /s/ Karen Boone
Karen Boone
Co-President, Chief Financial and Administrative Officer

EXHIBIT INDEX

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Exhibit 10.1

EXECUTION VERSION

CREDIT AGREEMENT

Dated as of July 7, 2017

among

RESTORATION HARDWARE, INC.,
as the Lead Borrower

For

The Borrowers Named Herein,

The Guarantors Named Herein,

WILMINGTON TRUST, NATIONAL ASSOCIATION,

as Administrative Agent and Collateral Agent

and

The Lenders Party Hereto

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Form of

CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of July 7, 2017, among **RESTORATION HARDWARE, INC.**, a Delaware corporation, as a Borrower (as hereinafter defined) and the Lead Borrower (as hereinafter defined), the Guarantors, each Lender (as hereinafter defined) from time to time party hereto, and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, as Agent (as hereinafter defined).

W I T N E S S E T H:

WHEREAS, the Borrowers have requested that the Lenders make available to the Borrowers term loans in an initial amount equal to $100,000,000, the proceeds of which shall be used by the Borrowers for purposes permitted under, and otherwise in accordance with and subject to the terms of, this Agreement;

NOW, THEREFORE, in consideration of the mutual conditions and agreements set forth in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned hereby agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

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

"ABL Agent" means Bank of America, N.A., as administrative agent and collateral agent for the secured parties under the ABL Credit Agreement, together with its successors and assigns in such capacity.

"ABL Credit Agreement" means that certain Eleventh Amended and Restated Credit Agreement, dated as of June 28, 2017, by and among the Lead Borrower, the other borrowers named therein, the guarantors named therein, the ABL Agent, the lenders party thereto, the other agents named therein and the other parties thereto from time to time, as may be amended, supplemented, extended, renewed, restated or replaced from time to time in accordance with the ABL Intercreditor Agreement.

"ABL Indebtedness" means the "Obligations" under and as defined in the ABL Credit Agreement, together with any other Indebtedness owing by any Loan Party to the ABL Agent or any lender or secured party under any ABL Loan Document from time to time.

"ABL Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the Effective Date, by and between the Agent and the ABL Agent, as acknowledged and agreed to by the Loan Parties, as may be amended, supplemented, extended, renewed, restated or replaced from time to time in accordance with its terms.

"ABL Loan Documents" means the "Loan Documents" under and as defined in the ABL Credit Agreement, together with all other Guarantees, security agreements and other material documents and instruments executed in connection with the ABL Credit Agreement from time to time.

"ABL Revolving Loans" means all revolving advances (including swingline advances and protective overadvances) constituting ABL Indebtedness.

"Accommodation Payment" as defined in Section 10.23(d).

"Account" means "accounts" as defined in the UCC, and also means a right to payment of a monetary obligation, whether or not earned by performance, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, or (c) arising out of the use of a credit or charge card or information contained on or for use with the card.

"ACH" means automated clearing house transfers.

"Acquisition" means, with respect to any Person, any transaction that constitutes, or is part of a group of transactions which are part of a common plan for, (a) a purchase of a Controlling interest in the Equity Interests of any other Person, (b) a purchase or other acquisition of all or substantially all of the assets or properties of, another Person or of any business unit of another Person, (c) any merger, amalgamation or consolidation of such Person with any other Person or (d) any other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets or Store locations of any Person.

"Adjusted LIBOR Rate" means, with respect to any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of one percent (1%)) equal to the greater of (a) LIBOR Rate for such Interest Period and (b) one percent (1%) per annum.

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

"Affiliate" means, with respect to any Person, (i) 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, (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person, (iii) any other Person directly or indirectly holding 20% or more of any class of the Equity Interests of that Person, and (iv) any other Person 20% or more of any class of whose Equity Interests is held directly or indirectly by that Person.

"Agent" means Wilmington Trust, National Association, in its capacity as administrative agent and collateral agent, in each case for and on behalf of the Lenders, together with its successors and assigns in such capacities.

"Agent Fee Letter" means the administrative fee letter agreement, dated as of the Effective Date, by the Lead Borrower and the Agent.

"Agent Parties" shall have the meaning specified in Section 10.02(c).

"Agent's Office" means the Agent's address and, as appropriate, account as set forth onSchedule 10.02, or such other address or account as any Agent may from time to time notify the Lead Borrower and the Lenders.

"Aggregate Term Loan Commitments" means the aggregate of the Term Loan Commitments of all Lenders. As of the Effective Date, the Aggregate Term Loan Commitments are $100,000,000.

"Agreement" means this Credit Agreement.

"Allocable Amount" has the meaning specified in Section 10.23(d).

"AML Legislation" has the meaning specified in Section 10.19.

"Applicable Lenders" means the Required Lenders, all affected Lenders, or all Lenders, as the context may require.

"Applicable Margin" means eight and one-quarter percent (8.25%) per annum.

"Applicable Percentage" means, with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the outstanding portion of the Term Loan held by such Lender at such time).

"Applicable Premium" means, as of the date of the occurrence of an Applicable Premium Trigger Event, the greater of:

(a) an amount equal to three percent (3.0%) of the principal amount of the Term Loan repaid (or in the case of an Applicable Premium Trigger Event occurring under clauses (b), (c) or (d) of the definition thereof, deemed to be prepaid) on such date in cash to Agent for the ratable account of the Lenders; and

(b) upon an Applicable Premium Trigger Event in respect of the prepayment (or in the case of an Applicable Premium Trigger Event occurring under clauses (b), (c) or (d) of the definition thereof, deemed prepayment) of the entire principal amount of the Term Loan then outstanding, an amount equal to the Minimum Return Amount.

"Applicable Premium Trigger Event" means:

(a) any repayment by any Loan Party of all, or any part, of the principal balance of any Term Loan for any reason (including, but not limited to, any repayment of the Term Loan on the Maturity Date or upon any other scheduled payment date (if any), any optional prepayment or mandatory prepayment, and distribution in respect thereof, and any refinancing thereof), whether in whole or in part, and whether before or after (i) the occurrence of an Event of Default, or (ii) in respect of any Loan Party, (A) the institution of any proceeding under any Debtor Relief Law relating to such Loan Party or any material part of its property, or an assignment for the benefit of creditors; (B) an application for or consent to the appointment of any receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator or similar officer for such Loan Party or for any material part of its property; (C) the commencement of a proceeding or filing of a petition seeking or requesting the appointment of any receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator or similar officer, (D) a general assignment for the benefit of creditors by such Loan Party or its formal admission in writing its inability or its general failure to pay its debts as they become due, or (E) the corporate action of such Loan Party to authorize any of the foregoing (any of the foregoing items set forth in this clause (ii), an "Insolvency Proceeding"), and notwithstanding any acceleration (for any reason) of the Obligations;

(b) the acceleration of the Obligations for any reason, including as a result of the commencement of an Insolvency Proceeding;

(c) the satisfaction, release, payment, restructuring, reorganization, replacement, reinstatement, defeasance or compromise of any of the Obligations in any Insolvency Proceeding, foreclosure (whether by power of judicial proceeding or otherwise) or deed in lieu of foreclosure or the making of a distribution of any kind in any Insolvency Proceeding to Agent, for the account of the Lenders in full or partial satisfaction of the Obligations; or

(d) the termination of this Agreement for any reason.

For purposes of the definition of the term Applicable Premium, if an Applicable Premium Trigger Event occurs under clause (b), (c) or (d), the entire outstanding principal amount of the Term Loan shall be deemed to have been prepaid on the date on which such Applicable Premium Trigger Event occurs.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender (c) an entity or an Affiliate of an entity that administers or manages a Lender, or (d) the same investment advisor or an advisor under common control with such Lender, Affiliate or advisor, as applicable.

"Assignee Group" means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Agent, in substantially the form of Exhibit D or any other form approved by the Agent or Required Lenders.

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

"Audited Financial Statements" means the audited consolidated balance sheet of Holdings and its Subsidiaries for the fiscal year ended January 28, 2017, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal year of Holdings and its Subsidiaries, including the notes thereto.

"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.

"Blocked Account" means each DDA subject to a Blocked Account Agreement.

"Blocked Account Agreement" means with respect to an account established by a Loan Party, an agreement, in form and substance satisfactory to the Agent and Required Lenders, establishing control (as defined in the UCC) of such account by the Agent and whereby the bank maintaining such account agrees, upon the occurrence and during the continuance of a Cash Dominion Event, to comply only with the instructions originated by the ABL Agent or the Agent, without the further consent of any Loan Party.

"Blocked Account Bank" means each bank with whom deposit accounts are maintained in which any funds of any of the Loan Parties from one or more DDAs are concentrated and with whom a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof.

"Borrower Materials" has the meaning specified in Section 6.02.

"Borrowers" means the Lead Borrower and any other Person who becomes a Borrower hereunder. As of the Effective Date, the Lead Borrower is the only Borrower. Following the Effective Date, each Domestic Subsidiary that is a Material Subsidiary of the Lead Borrower that is not a Guarantor shall be joined to this Agreement as a Borrower pursuant to documentation in form and substance satisfactory to the Agent and Required Lenders.

"Borrowing Base Certificate" has the meaning specified in the ABL Credit Agreement.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Agent's Office is located and, if such day relates to any LIBOR Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Capital Expenditures" means, with respect to any Person for any period, all expenditures made (whether made in the form of cash or other property) or costs incurred for the acquisition or improvement of fixed or capital assets of such Person (excluding normal replacements and maintenance which are properly charged to current operations), in each case that are (or should be) set forth as capital expenditures in a Consolidated statement of cash flows of such Person for such period, in each case prepared in accordance with GAAP.

"Capital Lease Obligations" means, with respect to any Person for any period, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as liabilities on a balance sheet of such Person under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP; provided that in no event shall obligations under any leases accounted for as "build-to-suit" transactions under ASC 840-40-55-2 or as a "financing" or using the "deposit method" under ASC 840-40-25-11 be included in any calculation of the amount of Capital Lease Obligations.

"Cash Dominion Event" means either (i) the occurrence and continuance of any Event of Default, or (ii) the occurrence and continuance of any "Cash Dominion Event" as such term is defined and used in the ABL Credit Agreement. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.

"Cash Equivalents" means any (i) direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof with a maturity date of no more than one (1) year from the date of acquisition, (ii) commercial paper with a duration of not more than nine (9) months rated at least A-1 by Standard & Poor's Ratings Service and P-1 by Moody's Investors Service, Inc., which is issued by a Person (other than any Credit Party or an Affiliate of any Credit Party) organized under the Laws of any State of the United States or the District of Columbia, (iii) time deposits, certificates of deposit and banker's acceptances with a duration of not more than six (6) months issued by any office located in the United States of any bank or trust company which is organized under the Laws of the United States or any State thereof, or is licensed to conduct a banking business in the United States, as the case may be, and has capital, surplus and undivided profits of at least $500,000,000 and which issues (or the parent of which issues) certificates of deposit or commercial paper with a rating described in clause (ii) above, (iv) repurchase agreements and reverse repurchase agreements with a duration of not more than thirty (30) days with respect to securities described in clause (i) above entered into with an office of a bank or trust company meeting the criteria specified in clause (iii) above, or (v) any money

market or mutual fund which invests only in the foregoing types of investments, has portfolio assets in excess of $5,000,000,000, complies with the criteria set forth in Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940 and is rated AAA by Standard & Poor's Ratings Service and Aaa by Moody's Investors Service, Inc.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

"CERCLIS" means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the United States Environmental Protection Agency.

"CFC" means a Person that is a controlled foreign corporation under Section 957 of the Code.

"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 or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority, provided however, for purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith, and (ii) all 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 regulatory authorities, in each case pursuant to Basel III, shall be deemed to have gone into effect and been adopted after the Effective Date.

"Change of Control" means an event or series of events after the Effective Date by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 40% or more of the Equity Interests of Holdings entitled to vote for members of the board of directors or equivalent governing body of Holdings on a fully-diluted basis (and taking into account all such Equity Interests that such "person" or "group" has the right to acquire pursuant to any option right); or

(b) Holdings fails at any time to own, directly or indirectly, 100% of the Equity Interests of the Lead Borrower, or the Lead Borrower fails at any time to own, directly or indirectly, 100% of the Equity Interests of each other Loan Party, in each case free and clear of all Liens (other than Permitted Encumbrances), except where such failure is as a result of a transaction permitted by the Loan Documents.

"Code" means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended and in effect.

"Collateral" means any and all "Collateral" as defined in any applicable Security Document and all other property on which a Lien is granted or purported to be granted in favor of the Agent under the terms of the Security Documents.

"Collateral Access Agreement" means an agreement reasonably satisfactory in form and substance to the Agent and Required Lenders executed by (a) a bailee or other Person in possession of Collateral, or (b) any landlord of Real Estate leased by any Loan Party, in each case, except as otherwise agreed by the Agent or Required Lenders, pursuant to which such Person (i) acknowledges the Agent's Lien on the Collateral, (ii) releases or subordinates such Person's Liens on the Collateral held by such Person or located on such Real Estate, (iii) provides the Agent with access to the Collateral held by such bailee or other Person or located in or on such Real Estate, (iv) as to any landlord, provides the Agent with a reasonable time to sell and dispose of the Collateral from such Real Estate, and (v) makes such other agreements with the Agent as the Agent or Required Lenders may reasonably require.

"Commitment" means, as to each Lender, the Term Loan Commitment of such Lender hereunder.

"Compliance Certificate" means a certificate substantially in the form of Exhibit B.

"Consent" means actual consent given by a Lender from whom such consent is sought.

"Consolidated" means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Subsidiaries (or such of its Subsidiaries as may be otherwise expressly provided in this Agreement).

"Consolidated Current Assets" means, as of any date of determination, the total assets of Holdings and its Relevant Subsidiaries on a Consolidated basis which may properly be classified as current assets in conformity with GAAP, excluding cash and Cash Equivalents.

"Consolidated Current Liabilities" means, as of any date of determination, (a) all amounts that would, in conformity with GAAP, be set forth opposite the caption "total current liabilities" (or any like caption) on a consolidated balance sheet of Holdings and its Relevant Subsidiaries on a Consolidated basis at such date less, (b) as of such date, the current portion of Consolidated Funded Indebtedness of Holdings and its Relevant Subsidiaries.

"Consolidated EBITDA" means, at any date of determination, an amount equal to Consolidated Net Income, *plus*

(a) the following to the extent deducted in calculating such Consolidated Net Income:

(i) Consolidated Interest Charges,

(ii) the provision for federal, state, provincial, municipal, local and foreign income Taxes,

(iii) depreciation and amortization expense,

(iv) other unusual, special or non-recurring expenses, losses or charges reducing such Consolidated Net Income which do not represent a cash item in such period and will not represent a cash item in any future period (in each case of or by Holdings and its Relevant Subsidiaries for such Measurement Period); provided, that no non-cash compensation charges resulting from the application of FAS 123R or any comparable or successor accounting provision shall be added back pursuant to this clause (a)(iv),

(v) non-cash compensation charges resulting from the application of FAS 123R or any comparable or successor accounting provision,

(vi) any fees, expenses or charges related to the incurrence of Indebtedness permitted to be incurred hereunder (including a refinancing thereof) or any equity issuance (in each case, whether or not successful), including (A) such fees, expenses or charges related to the Loans (including the fees paid to the Agent and Lenders) and any other credit facilities and (B) any amendment or other modification of the Loans and any other credit facility or issuance of Indebtedness (including the Senior Notes),

(vii) any extraordinary, unusual or non-recurring expenses or losses in an amount not to exceed five (5%) of Consolidated EBITDA for the relevant period, without giving effect to this clause (vii), and

(viii) to the extent not included in Consolidated Net Income, proceeds of business interruption insurance actually received during such period in an amount representing the earnings for the applicable period that such proceeds are intended to replace; *minus*

(b) the following to the extent included in calculating such Consolidated Net Income:

(i) Federal, state, local and foreign income tax credits,

(ii) all non-cash items increasing such Consolidated Net Income, all as determined on a Consolidated basis in accordance with GAAP, and

(iii) the amount of any obligations resulting from accounting for leases as "build-to-suit" transactions under ASC 840-40-55-2 or as a "financing" or using the "deposit method" under ASC 840-40-25-11, including, for the avoidance of doubt, all "build-to-suit" interest (whether cash or non-cash).

"Consolidated Excess Cash Flow" means, with respect to Holdings and its Relevant Subsidiaries on a Consolidated basis, for any Fiscal Year commencing with the fiscal year ending January 27, 2018, an amount equal to the sum of Consolidated EBITDA for such period minus the sum of the following, but without duplication:

(a) Capital Expenditures paid in cash made during such period (net of (x) amounts of cash received during such period from landlords for tenant improvements relating to the Loan Parties' leased store locations and (y) Capitalized Lease Obligations) to the extent paid with the proceeds of Internally Generated Cash;

(b) Consolidated Interest Charges paid in cash during such period to the extent paid with the proceeds of Internally Generated Cash;

(c) consolidated Tax expenses paid for such period based on income, profits or capital, including state, franchise, capital, tariffs, customs, duties and similar taxes and withholding taxes paid in cash during such period to the extent paid with the proceeds of Internally Generated Cash;

(d) cash expenses paid in cash during such period that have been added back as part of the calculation of Consolidated EBITDA for such period;

(e) regularly scheduled payments of principal and any other permanent repayment of Indebtedness to the extent permitted hereunder made during such period (other than, (x) for the avoidance of doubt, any Excess Cash Flow payments made during such period pursuant to Section 2.05(d) and (y) in respect of any revolving credit facility (or any other kind of Indebtedness that may be reborrowed or redrawn) including the ABL Revolving Loans during such period to the extent there is not an equivalent permanent reduction in commitments or availability thereunder), in each case, to the extent paid with the proceeds of Internally Generated Cash;

(f) the Consolidated Net Working Capital Adjustment;

(g) the amount of cash payments made in connection with Permitted Acquisitions and other Permitted Investments, to the extent paid in cash to Persons that are not Loan Parties or Affiliates of Loan Parties with the proceeds of Internally Generated Cash; and

(h) amounts that have been added back as part of the calculation of Consolidated EBITDA for such period which do not represent cash received by Holdings or any Subsidiary thereof.

"Consolidated Excess Cash Flow Certificate" means a certificate, duly executed by a Responsible Officer, appropriately completed and substantially in the form of Exhibit C hereto.

"Consolidated Fixed Charge Coverage Ratio" means, at any date of determination, *the ratio of*

(a) Consolidated EBITDA *minus* the sum of:

(i) Non-Financed Capital Expenditures made during such period (net of (x) amounts of cash received during such period from landlords for tenant improvements relating to the Loan Parties' leased store locations and (y) Capitalized Lease Obligations), *plus*

(ii) the aggregate amount of Federal, state, local and foreign income taxes paid in cash during such period (but not less than zero) *to*

(b) the sum of:

(i) Debt Service Charges, *plus*

(ii) the aggregate amount of all Restricted Payments made to Persons other than the Loan Parties, *plus*

(iii) for purposes of calculating compliance with the Payment Condition and the RP Conditions only, all mandatory and optional prepayments of Indebtedness, in each case, of or by any of Holdings and its Relevant Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP.

For purposes of this definition, Capital Expenditures shall not include (w) expenditures made to restore, replace, rebuild or maintain property, to the extent such expenditure is made with (or subsequently but prior to the date of determination of Capital Expenditures reimbursed out of) insurance proceeds, indemnity payments, condemnation awards (or payments in lieu thereof) or damage recovery proceeds or other settlements relating to any damage, loss, destruction or condemnation of such property, (x) expenditures constituting of the reinvestment of the Net Cash Proceeds of any equipment or other fixed asset disposition, to the extent permitted hereunder (including without limitation reduction in purchase price as a result of the trade-in of equipment) and reinvested within three months following such disposition, (y) expenditures made by Borrower or any Material Subsidiary to effect leasehold improvements to any property leased by Borrower or any Material Subsidiary as lessee, to the extent that

such expenses have been reimbursed in cash by the landlord and have not already been accounted for in any GAAP adjustments, and (z) expenditures paid by a Person that is not a Loan Party and for which no Loan Party has provided or is required to provide or incur, directly or indirectly, any consideration or monetary obligation to such Person or any other Person (whether before, during or after such period).

"Consolidated Funded Indebtedness" means, as of any date of determination, for Holdings and its Relevant Subsidiaries on a Consolidated basis, without duplication,the sum of (a)(i) the outstanding principal amount of all obligations, whether current or long-term, for borrowed money (including the Obligations and the ABL Indebtedness) and all obligations evidenced by bonds, debentures, notes, loan agreements or other similar instruments, (ii) all purchase money Indebtedness, (iii) all obligations in respect of the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business), (iv) all Attributable Indebtedness, and (v) all Indebtedness of the types referred to in clauses (i) through (iv) above of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which Holdings or a Relevant Subsidiary is a general partner or joint venturer, unless such Indebtedness is expressly made non-recourse to Holdings or such Relevant Subsidiary, minus (b) unrestricted cash and Cash Equivalents included in the consolidated balance sheet of Holdings and its Relevant Subsidiaries.

"Consolidated Interest Charges" means, for any Measurement Period, (a) *the sum of* (i) all interest, premium payments, fees, original issue discount, charges and related expenses in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, including, without limitation, all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Contracts, but excluding any non-cash interest or deferred interest financing costs (for the avoidance of doubt, such exclusion shall apply to amortization of financing fees, debt discount and bond hedge costs in connection with the Senior Notes), *and* (ii) the portion of rent expense with respect to such period under Capital Lease Obligations that is treated as interest in accordance with GAAP *minus* (b) *the sum of* (i) interest income during such period (excluding any portion of interest income representing accruals of amounts received in a previous period) *and* (ii) net gains under Swap Contracts, in each case of or by any of Holdings and its Relevant Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP.

"Consolidated Net Income" means, as of any date of determination, the net income (or loss) of Holdings and its Relevant Subsidiaries for the most recently completed Measurement Period, all as determined on a Consolidated basis in accordance with GAAP, provided, however, that there shall be excluded (a) extraordinary gains and extraordinary losses for such Measurement Period, (b) the income (or loss) of Holdings and its Relevant Subsidiaries during such Measurement Period from any Subsidiary in which any Person other than any of Holdings and its Relevant Subsidiaries has a joint interest (where the interest or interests of any of Holdings and it Relevant Subsidiaries does not cause the net income of such Subsidiary to be consolidated into the net income of Holdings and its Relevant Subsidiaries under GAAP), except to the extent of the amount of cash dividends or other distributions actually paid in cash to any of Holdings and its Relevant Subsidiaries during such Measurement Period, (c) the income (or loss) of a Relevant Subsidiary of Holdings during such Measurement Period and accrued prior to the date it becomes a Relevant Subsidiary of Holdings or is merged into, amalgamated or consolidated with the Holdings or any of its Relevant Subsidiaries, and (d) the income of any Subsidiary of a Loan Party to the extent that the declaration or payment of dividends or similar distributions by that Subsidiary of that income is not at the time permitted by operation of the terms of its Organization Documents or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Subsidiary, except that the Loan Party's equity in any net loss of any such Subsidiary for such Measurement Period shall be included in determining Consolidated Net Income.

"Consolidated Net Working Capital" means, as of any date of determination, the excess (or deficit) of Consolidated Current Assets over Consolidated Current Liabilities.

"Consolidated Net Working Capital Adjustment" means, for any Fiscal Year on a Consolidated basis, the amount (which may be a negative number) by which Consolidated Net Working Capital as of the end of such Fiscal Year exceeds (or is less than) Consolidated Net Working Capital as of the beginning of such period.

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

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Party" or "Credit Parties" means (a) individually, (i) each Lenders and its Affiliates to whom any Obligations with respect to any Loan are owed, (ii) the Agent and its Affiliates, (iii) each beneficiary of each indemnification obligation undertaken by any Loan Party under any Loan Document, (iv) any other Person to whom Obligations with respect to any Loan under this Agreement and other Loan Documents are owing, and (v) the successors and assigns of each of the foregoing, and (b) collectively, all of the foregoing.

"Credit Party Expenses" means (a) all reasonable out-of-pocket expenses incurred by the Agent, and its respective Affiliates or branches, in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of (A) one counsel for the Agent (and any regulatory or local counsel in each jurisdiction as reasonably required), (B) outside consultants and advisors for the Agent, (C) appraisers, and (D) commercial finance examiners, (ii) in connection with (A) the preparation, negotiation, administration, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (B) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral or in connection with any proceeding under any Debtor Relief Laws, or (C) any workout or restructuring or, or negotiations in respect of any Obligations, and (b) all reasonable out-of-pocket expenses incurred by the Credit Parties who are not the Agent or any Affiliate of any of them in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of (A) one counsel for all such Credit Parties (absent a conflict of interest in which case the Credit Parties may engage and be reimbursed for additional counsel for each such conflict) (and any regulatory or local counsel in each jurisdiction as reasonably required) and (B) outside consultants (without duplication of any scope of work or expense incurred under clause (a)(i)(B) above), (ii) in connection with (A) the preparation, negotiation, administration, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (B) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral or in connection with any proceeding under any Debtor Relief Laws, or (C) any workout or restructuring or, or negotiations in respect of any Obligations. The parties acknowledge that the obligations of the Loan Parties to pay or reimburse certain Credit Party Expenses is limited by the applicable terms and provisions of this Agreement and the other Loan Documents.

"Customs Broker/Carrier Agreement" means an agreement in form and substance satisfactory to the Agent among a Loan Party, a customs broker, freight forwarder, consolidator, or carrier, and the Agent, in which the customs broker, freight forwarder, consolidator, or carrier acknowledges that it has control over and holds the documents evidencing ownership of the subject Inventory for the benefit of the Agent and agrees, upon notice from the Agent, to hold and dispose of the subject Inventory solely as directed by the Agent.

"DDA" means each checking, savings or other demand deposit account maintained by any of the Loan Parties. All funds in each DDA shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agent and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in any DDA.

"Debt Service Charges" means for any Measurement Period, the sum of (a) Consolidated Interest Charges paid or required to be paid for such Measurement Period, plus (b) scheduled principal payments made or required to be made on account of Indebtedness (excluding the Obligations, any Synthetic Lease Obligations and any obligations resulting from accounting for leases as "build-to-suit" transactions under ASC 840-40-55-2 or as a "financing" or using the "deposit method" under ASC 840-40-25-11, but including, without limitation, Capital Lease Obligations) for such Measurement Period, in each case determined on a Consolidated basis in accordance with GAAP.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States, or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means, with respect to any Obligation, a rate per annum equal to the rate of interest (including the Applicable Margin) in effect from time to time with respect thereto (if any), plus two percent (2.0%) per annum.

"Designated Jurisdiction" means any country, region or territory to the extent that such country or territory is the subject or target of any Sanction.

"Determination Date" shall mean the date upon which the Obligations have been declared to be due and payable (or have become automatically due and payable) and have not been paid in accordance with the terms of this Agreement.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction and), whether in one transaction or in a series of transactions, by any Person of any property (including, without limitation, any Equity Interests held by such Person), or the granting of any option or other right to do any of the foregoing, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Stock" means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, (a) matures or is mandatorily redeemable in cash, pursuant to a sinking fund obligation or otherwise, or (b) is redeemable in cash at the option of the holder thereof, in whole or in part, in each case, on or prior to the date that is 91 days after the Maturity Date. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Loan Parties may become obligated to pay in cash upon the occurrence of any of the foregoing events at any such time, plus accrued and unpaid dividends.

"Dollars" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the laws of the United States of America, any State thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the laws of Puerto Rico or any other territory).

"Draft Quarterly Financial Statements" has the meaning specified in Section 8.01(b).

"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.

"Effective Date" means the first date all the conditions precedent in Section 4.01 and Section 4.02 are satisfied or waived in accordance with Section 10.01.

"Effective Yield" shall mean, as to any Indebtedness, the effective yield on such Indebtedness in the reasonable determination of Agent in consultation with Borrowers and consistent with generally accepted financial practices, taking into account the applicable interest rate margins, any interest rate floors (the effect of which floors shall be determined in a manner set forth in the proviso below), or similar devices and all fees, including upfront or similar fees or original issue discount (amortized over the shorter of (i) the remaining weighted average life to maturity of such Indebtedness and (ii) the four years following the date of incurrence thereof) payable generally to lenders providing such Indebtedness, but excluding any customary arrangement, commitment, or other similar fees payable in connection therewith that are not generally shared with the relevant lenders and, if applicable, consent fees for an amendment paid generally to consenting lenders; *provided* that with respect to any Indebtedness that includes a so-called "floor" in respect of a floating interest rate, (a) to the extent that the floating interest rate (without giving effect to any floors) on the date that the Effective Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the interest rate margin for such Indebtedness for the purpose of calculating the Effective Yield and (b) to the extent that the floating interest rate (without giving effect to any floors) on the date that the Effective Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the Effective Yield.

"Eligible Assignee" means (a) a Credit Party or any of its Affiliates or branches; (b) a bank, insurance company, company, Fund or other Person (other than a natural person) engaged in the business of making commercial loans, which Person, together with its Affiliates and branches, has a combined capital and surplus in excess of $250,000,000; (c) an Approved Fund; (d) any Person to whom a Credit Party assigns its rights and obligations under this Agreement as part of an assignment and transfer of such

Credit Party's rights in and to a material portion of such Credit Party's portfolio of asset based credit facilities, and (e) any other Person (other than a natural person) approved by (i) the Agent, and (ii) unless an Event of Default has occurred and is continuing, the Lead Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include a Loan Party or any of the Loan Parties' Affiliates or Subsidiaries.

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

"Environmental Liability" means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense, or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal or presence of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equipment" has the meaning set forth in the UCC, as applicable.

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

"Equity Issuance" means any issuance or sale (whether primary or secondary) of Equity Interests by any of Holdings and its Relevant Subsidiaries and for the avoidance of doubt includes the exercise of stock options.

"ERISA" means the Employee Retirement Income Security Act of 1974.

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

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Lead Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Lead Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA,

or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the determination that any Pension Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 305 of ERISA; or (g) the imposition of any material liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate.

"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" has the meaning specified in Section 8.01.

"Excess Availability" has the meaning specified in the ABL Credit Agreement.

"Excluded Taxes" means, with respect to the Agent, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Loan Parties hereunder, (a) Taxes imposed on or measured by its overall net income (however denominated), branch profits Taxes and franchise Taxes imposed (in lieu of net income Taxes) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located, (b) any Taxes imposed on or measured by its overall net income (however denominated), branch profits Taxes and franchise Taxes imposed (in lieu of net income Taxes) as a result of a present or former connection between any Agent, Lender or any other 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), (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by the Lead Borrower under Section 10.13), any U.S. federal withholding Tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new Lending Office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 3.01(e), except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new Lending Office (or assignment), to receive additional amounts from the Loan Parties with respect to such withholding Tax pursuant to Section 3.01(a), (d) [reserved], (e) any U.S. federal, state or local backup withholding Tax, and (f) any Tax imposed under FATCA.

"Executive Order" has the meaning set forth in Section 10.18.

"Facility Guaranty" means the Guaranty dated as of the Effective Date and made by the Guarantors in favor of the Agent and the applicable Credit Parties, in form reasonably satisfactory to the Agent and Required Lenders, and each other Guaranty delivered pursuant to Section 6.11.

"FATCA" means current Section 1471 through 1474 of the Code or any amended version or successor provision that is substantively similar and, in each case, any regulations promulgated thereunder and any interpretation and other guidance issued in connection therewith and any applicable intergovernmental agreement entered into thereunder (and any foreign legislation implemented to give effect to such intergovernmental agreements) and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System 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 such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Agent shall reasonably determine such rate by reference to equivalent published rates.

"Final Quarterly Financial Statements" has the meaning specified in Section 8.01(b).

"Fiscal Month" means any fiscal month of any Fiscal Year, which month shall generally end on the Saturday closest to the last day of each calendar month in accordance with the fiscal accounting calendar of the Loan Parties.

"Fiscal Quarter" means any fiscal quarter of any Fiscal Year, which quarters shall generally end on Saturday closest to the last day of each April, July, October and January of such Fiscal Year in accordance with the fiscal accounting calendar of the Loan Parties.

"Fiscal Year" means any period of twelve consecutive months ending on the Saturday closest to the last day in January of any calendar year.

"Foreign Asset Control Regulations" has the meaning set forth in Section 10.18.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Lead Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Foreign Subsidiary" means any Subsidiary other than a Domestic Subsidiary.

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

"Fund" means (a) any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, and (b) any other Person (other than a natural person) which temporarily warehouses loans for any Lender or any Person described in the preceding clause (a).

"GAAP" means, subject to Section 1.03(b), generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

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

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly,

and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means (i) each of the Loan Parties party to a Facility Guaranty, and (ii) each Material Subsidiary of the Lead Borrower (other than any CFC) that is required to execute and deliver a Facility Guaranty pursuant to Section 6.11.

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

"Holdings" means RH, a Delaware corporation.

"Holdings and its Relevant Subsidiaries" means, as of the Effective Date, Holdings and its Subsidiaries existing on the Effective Date, *provided that*, if at any time following the Effective Date Holdings owns any Subsidiary that is not also a Material Subsidiary of the Lead Borrower and that (a) (i) individually owns at least 5% of the Consolidated assets of Holdings and its Subsidiaries or (ii) collectively with any other Subsidiaries that are not also Material Subsidiaries of the Lead Borrower, own at least 10% of the Consolidated assets of Holdings and its Subsidiaries or (b) (i) individually generates at least 5% of the Consolidated Net Income of Holdings and its Subsidiaries or (ii) collectively with any other Subsidiaries that are not also Material Subsidiaries of the Lead Borrower generate a least 10% of the Consolidated Net Income of Holdings and its Subsidiaries, such Subsidiary and the assets of such Subsidiary shall be excluded from any calculations herein based on assets or income of "Holdings and its Relevant Subsidiaries" and such Subsidiary shall no longer be deemed a "Relevant Subsidiary" for purposes of any provision herein that is measured by reference to Holdings and its Relevant Subsidiaries; *provided further that*, upon any such exclusion of any Subsidiary of Holdings from Holdings and its Relevant Subsidiaries pursuant to the foregoing proviso, all financial statements to be provided pursuant to Section 6.01 shall include consolidating financial statements with respect to the Loan Parties (it being understood and agreed that such consolidating financial statements shall not be required to be audited). For the avoidance of doubt, no Loan Party shall be excluded from Holdings and its Relevant Subsidiaries, and "Relevant Subsidiaries" shall mean all Subsidiaries of Holdings that are included at any time within the definition of Holdings and its Relevant Subsidiaries.

"Holdings Side Letter" means that certain letter agreement, dated as of the date hereof, between Holdings and Agent.

"Incremental Additional Lender" shall have the meaning provided therefor in Section 2.15(b).

"Incremental Amendment" shall have the meaning provided therefor in Section 2.15(e).

"Incremental Effective Date" shall have the meaning provided therefor in Section 2.15(a).

"Incremental Lender shall have the meaning provided therefor in Section 2.15(b).

"Incremental Request" shall have the meaning provided therefor in Section 2.15(a).

"Incremental Response Period" shall have the meaning provided therefor in Section 2.15(a).

"Incremental Term Loan" shall have the meaning provided therefor in Section 2.15(a).

"Incremental Term Loan Commitment" shall have the meaning provided therefor in Section 2.15(a).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

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

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than sixty (60) days);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness of such Person;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person (including, without limitation, Disqualified Stock), or any warrant, right or option to acquire such Equity Interest, in each case, prior to the Maturity Date, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

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

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitees" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intellectual Property" means all present and future: trade secrets, know-how and other proprietary information; trademarks, trademark applications, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights and copyright applications; (including copyrights for computer programs) and all tangible and intangible property embodying the copyrights, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"Interest Payment Date" means, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates.

"Interest Period" means the period commencing on the date such Loan is disbursed, converted or continued and ending on the date one, three or six months thereafter, as selected by the Lead Borrower in its Term Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date; and

(iv) notwithstanding the provisions of clause (iii), no Interest Period shall have a duration of less than one (1) month.

"Internal Control Event" means a material weakness in, or fraud that involves management or other employees who have a significant role in, the Lead Borrower's and/or its Subsidiaries' internal controls over financial reporting.

"Internally Generated Cash" means cash generated from the operations of the business of the Holdings and its Relevant Subsidiaries;*provided* that, notwithstanding the foregoing, "Internally Generated Cash" shall not include (i) the proceeds of any Indebtedness (excluding the ABL Revolving Loans) and (ii) the proceeds of the issuance of any Equity Interests.

"Inventory" has the meaning given that term in the UCC, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) any Acquisition. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means an agreement, in form satisfactory to the Agent and Required Lenders pursuant to which, among other things, a Person becomes a party to, and bound by the terms of, this Agreement and/or the other Loan Documents in the same capacity and to the same extent as either a Borrower or a Guarantor, as the Agent or Required Lenders may determine.

"Judgment Currency" as defined in Section 10.22.

"Law" or "Laws" means each international, foreign, federal, state, provincial, municipal and local statute, treaty, rule, guideline, regulation, ordinance, code and administrative or judicial precedent or authority, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and each applicable administrative order, directed duty, request, license, authorization and permit of, and agreement with, any Governmental Authority, in each case whether or not having the force of law.

"Lead Borrower" means Restoration Hardware, Inc., a Delaware corporation.

"Lease" means any agreement, whether written or oral, no matter how styled or structured, pursuant to which a Loan Party is entitled to the use or occupancy of any real property for any period of time.

"Lender" means each Person holding a Term Loan or Term Loan Commitment from time to time or that becomes a Lender pursuant toSection 2.15.

"Lender Fee Letter" means that certain fee letter agreement, dated as of the Effective Date, by the Lead Borrower and the Lenders party to this Agreement as of the Effective Date.

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

"LIBOR Rate" means the per annum rate of interest (rounded up to the nearest 1/8th of 1% and in no event less than zero) determined by the Agent at or about 11:00 a.m. (London time) two (2) Business Days prior to an Interest Period, equal to the London Interbank Offered Rate, or comparable or successor rate approved by the Agent, as published on the applicable Reuters screen page (or other commercially available source designated by the Agent from time to time); provided, that any comparable or successor rate shall be applied by the Agent, if administratively feasible, in a manner consistent with market practice.

"LIBOR Rate Loan" means a Loan that bears interest at a rate based on the Adjusted LIBOR Rate.

"Lien" means (a) any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien, trust (statutory, constructive, deemed or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale, Capital Lease Obligation, Synthetic Lease Obligation, or other title retention agreement, any easement, servitude, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing) and (b) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Loan" means the Term Loan.

"Loan Account" has the meaning assigned to such term in Section 2.11(a).

"Loan Documents" means this Agreement, each Note, the Holdings Side Letter, the Agent Fee Letter, the Lender Fee Letter, the Blocked Account Agreements, the Security Documents, each Facility Guaranty, and any other instrument or agreement now or hereafter executed and delivered by any Loan Party in connection herewith, each as amended and in effect from time to time.

"Loan Parties" means, collectively, the Borrowers and the Guarantors. "Loan Party" means any Borrower or Guarantor.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of any Loan Party (or Holdings and its Relevant Subsidiaries taken as a whole); (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material impairment of the rights and remedies of the Agent or the Lenders under any Loan Document. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other than existing events would result in a Material Adverse Effect.

"Material Contract" means, with respect to any Person, each contract to which such Person is a party that such Person would be required to file with the SEC were such Person a publicly reporting company.

"Material Indebtedness" means the ABL Indebtedness and all other Indebtedness of the Loan Parties (other than the Obligations) in an aggregate principal amount in excess of $17,500,000. For purposes of determining the amount of Material Indebtedness at any time, (a) the amount of the obligations in respect of any Swap Contract at such time shall be calculated at the Swap Termination Value thereof, (b) undrawn committed or available amounts shall be included, and (c) all amounts owing to all creditors under any combined or syndicated credit arrangement shall be included.

"Material Subsidiary" means (1) each Subsidiary that is designated by Holdings as a "Material Subsidiary", and (2) each other Subsidiary of Lead Borrower that (a) owns at least two and a half percent (2.50%), or, together with all other Subsidiaries which are not Material Subsidiaries, five percent (5.00%) of the Consolidated assets of the Lead Borrower, (b) generates at least two and a half percent (2.50%), or, together with all other Subsidiaries which are not Material Subsidiaries, five percent (5.00%) of the Consolidated EBITDA, or (c) is the owner of Equity Interests of any Subsidiary described in either of the foregoing clauses (a) or (b). As of the Effective Date, none of the Subsidiaries listed on Schedule 6.05 hereto are Material Subsidiaries.

"Maturity Date" means the earlier of (a) January 7, 2023 and (b) the date that is sixty (60) days prior to the maturity date of the Senior Notes, unless such Senior Notes are refinanced, converted or otherwise defeased pursuant to a Permitted Refinancing and the maturity thereof is extended to a date that is not less than six (6) months following the date set forth in clause (a) above.

"Maximum Rate" has the meaning provided therefor in Section 10.09.

"Measurement Period" means, at any date of determination, the most recently completed twelve Fiscal Months of the Lead Borrower.

"Minimum Return Amount" means an amount equal to the difference of (a) $7,500,000 *minus* (b) the sum of (i) the aggregate amount of all Applicable Premium previously paid in cash by the Loan Parties to the Agent (for the ratable account of the Lenders) in respect of the Term Loan under this Agreement, (ii) the amount of interest previously paid by the Loan Parties to the Agent (for the ratable account of the Lenders) in respect of the Term Loan under this Agreement and (iii) the amount of the Commitment Fee (as defined in the Lender Fee Letter) issued in respect of the Term Loan on the Effective Date.

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

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

"Multiple Employer Plan" means any employee benefit plan (as such term is defined in Section 3(3) of ERISA) which has two or more contributing sponsors (including the Lead Borrower or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Proceeds" means, with respect to any transaction for which Net Proceeds are being measured including a Disposition by any Loan Party, or a casualty or condemnation of property of any Loan Party, or any Equity Issuance or issuance of Indebtedness, *the excess, if any, of* (i) the sum of cash and cash equivalents received by the applicable party or parties in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) *over* (ii) the sum of (A) the principal amount of any Indebtedness that is secured by a Permitted Encumbrance, senior to the Agent's Lien, on the applicable asset and which Indebtedness is required to be repaid (or to establish an escrow for the future repayment thereof) in connection with such Disposition (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by the

applicable party or parties (which may be any of Holdings and its Relevant Subsidiaries depending on the transaction) in connection with such transaction (including, without limitation, appraisals, and brokerage, legal, title and tax expenses and commissions) paid by the applicable party or parties in connection with such transaction to third parties (other than Affiliates of such party or parties).

"Non-Consenting Lender" has the meaning provided therefor in Section 10.01.

"Non-Financed Capital Expenditures" means, for any period, Capital Expenditures during such period other than Capital Expenditures funded with the proceeds of Indebtedness (excluding ABL Revolving Loans).

"Note" means a Term Note, as may be amended, supplemented or modified from time to time.

"NPL" means the National Priorities List under CERCLA.

"Obligations" means all advances to, and debts (including principal, interest, fees, premiums (including the Applicable Premium), costs and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest, fees, costs, expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees costs, expenses and indemnities are allowed claims in such proceeding.

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

"Organization Documents" means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and (d) in each case, all shareholder or other equity holder agreements, voting trusts and similar arrangements to which such Person is a party or which is applicable to its Equity Interests and all other arrangements relating to the Control or management of such Person.

"Other Taxes" means all present or future stamp or documentary taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document, excluding, however, any such amounts imposed as a result of an assignment by a Lender of its Loan or Commitment.

"Outstanding Amount" means the aggregate outstanding principal amount of any Loans after giving effect to any borrowings and prepayments or repayments thereof occurring on such date.

"Participant" has the meaning specified in Section 10.06(d).

"Participation Register" has the meaning provided therefor in Section 10.06(d).

"Patriot Act" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Payment Conditions" means, with respect to any specified transaction or payment, that, (a) no Default or Event of Default exists on the date of such transaction or payment or would arise as a result of entering into such transaction or the making of such payment, (b) prior thereto, the Loan Parties shall have delivered to the Agent evidence of satisfaction of the applicable conditions contained in the following clauses (c) and (d) on a pro forma basis (including, without limitation, giving due consideration to results for prior periods) reasonably satisfactory to the Agent, (c) after giving effect to such transaction or payment, the Senior Secured Leverage Ratio for Holdings and its Relevant Subsidiaries shall not exceed 5.00:1.00, and (d) after giving effect to such transaction or payment, either:

(i) (x) the Pro Forma Excess Availability following, and after giving effect to, such transaction or payment, will be greater than the greater of (x) $60,000,000 and (y) fifteen percent (15%) of the Loan Cap (as defined in the ABL Credit Agreement), and (y) the Consolidated Fixed Charge Coverage Ratio, calculated on a trailing twelve month basis after giving pro forma effect to any specified transaction or payment, is equal to or greater than 1.0:1.0, or

(ii) the Pro Forma Excess Availability following, and after giving effect to, such transaction or payment, will be greater than the greater of (x) twenty-five percent (25%) of the Loan Cap (as defined in the ABL Credit Agreement) and (y) $100,000,000.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Funding Rules" means the rules of the Code and ERISA regarding minimum required contributions (including any installment payment thereof) to Pension Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Section 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (other than a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Lead Borrower and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Permitted Acquisition" means an Acquisition in which all of the following conditions are satisfied:

(a) such Acquisition shall have been approved by the Board of Directors of the Person (or similar governing body if such Person is not a corporation) which is the subject of such Acquisition and such Person shall not have announced that it will oppose such Acquisition or shall not have commenced any action which alleges that such Acquisition shall violate applicable Law;

(b) the Lead Borrower shall have furnished the Agent with ten (10) days' prior written notice of such intended Acquisition and shall have furnished the Agent with a current draft of the Acquisition Documents (and final copies thereof as and when executed), a summary of any due diligence undertaken by the Loan Parties in connection with such Acquisition, appropriate financial statements of the Person which is the subject of such Acquisition, pro forma

projected financial statements for the twelve (12) month period following such Acquisition after giving effect to such Acquisition (including balance sheets, cash flows and income statements by month for the acquired Person, individually, and on a Consolidated basis with all Loan Parties), and such other information as the Agent or Required Lenders may have reasonably requested no later than ten (10) days prior to such Acquisition, all of which shall be in form reasonably satisfactory to the Agent and Required Lenders;

(c) if proceeds of any Incremental Term Loan are being used to directly or indirectly finance all or any portion of such Acquisition and the Acquisition is an Acquisition of Equity Interests, the legal structure of the Acquisition shall be acceptable to the Required Lenders in their reasonable discretion;

(d) all necessary legal and regulatory approvals with respect to such Acquisition shall have been obtained;

(e) after giving effect to the Acquisition, if the Acquisition is an Acquisition of Equity Interests, a Loan Party shall acquire and own, directly or indirectly, a majority of the Equity Interests in the Person being acquired and shall Control a majority of any voting interests or shall otherwise Control the governance of the Person being acquired;

(f) any assets acquired shall be utilized in, and if the Acquisition involves a merger, amalgamation, consolidation or acquisition of Equity Interests, the Person which is the subject of such Acquisition shall be engaged in, a business otherwise permitted to be engaged in by a Borrower pursuant to Section 7.08;

(g) if the Person which is the subject of such Acquisition will be maintained as a Subsidiary of a Loan Party, the requirements ofSection 6.11 shall have been fulfilled with respect to such Subsidiary; and

(h) if the Acquisition is for consideration in excess of $30,000,000, the Loan Parties shall have satisfied the Payment Conditions.

"Permitted Disposition" means any of the following:

(a) Dispositions of Inventory in the ordinary course of business and Dispositions of cash to pay obligations of the Loan Parties in the ordinary course of business and not prohibited to be incurred hereunder;

(b) arm's length bulk sales or other dispositions of the Inventory of a Loan Party not in the ordinary course of business in connection with Permitted Store Closings, at arm's length;

(c) (i) non-exclusive licenses of Intellectual Property consisting of trade names of a Loan Party or any of its Subsidiaries to an unaffiliated third party licensee in the ordinary course of business and (ii) licenses of Intellectual Property by a Loan Party or any of its Subsidiaries to an unaffiliated third party licensee solely for use in a foreign jurisdiction or territory (excluding Canada) in which jurisdiction neither Holdings nor any of its Subsidiaries will during the period of such license participate in the same field of use as is being licensed to such unaffiliated third party licensee (there may be a reasonable wind down period for such field of use during which Holdings or its Subsidiaries are in the process of winding down or exiting from the line of business within such field of use in such foreign jurisdiction or territory); provided, that (x) such licensee shall not be an affiliate or Related Party of a Loan Party or any of its Subsidiaries and (y) such license shall be for fair market value and in an arm's length transaction;

(d) licenses for the conduct of licensed departments within the Loan Parties' Stores in the ordinary course of business;provided that, if requested by the Agent or Required Lenders, the Agent shall have entered into an intercreditor agreement with the Person operating such licensed department on terms and conditions reasonably satisfactory to the Agent and Required Lenders;

(e) Dispositions of Equipment in the ordinary course of business that is substantially worn, damaged, obsolete or, in the judgment of a Loan Party, no longer useful or necessary in its business or that of any Subsidiary and, in the case of any Equipment material to such Person's business or operating, is replaced with similar property having at least equivalent value;

(f) Dispositions among the Loan Parties or by any Subsidiary to a Loan Party;

(g) Dispositions by any Subsidiary which is not a Loan Party to another Subsidiary that is not a Loan Party;

(h) sales of Real Estate of any Loan Party (or sales of any Equity Interests in any Person or Persons created to hold such Real Estate), including sale and leaseback transactions involving any such Real Estate pursuant to leases on market terms, as long as (A) such sale is made for fair market value, (B) in the case of any sale and leaseback transaction, the Agent shall have received from each such purchaser or transferee a Collateral Access Agreement and (C) no Default or Event of Default then exists or would arise therefrom;

(i) so long as no Default or Event of Default is continuing or would arise therefrom, Dispositions of other assets and property of the Loan Parties in exchange for reasonably equivalent value, provided, that, (A) any such Disposition shall be made for fair market value and in an arm's length transaction, (B) such Disposition shall be permitted by the terms of the ABL Loan Documents, (C) for any Disposition of material Intellectual Property not otherwise permitted pursuant to clause (c) above, (1) such Disposition shall be approved by Required Lenders (such approval not to be unreasonably withheld), and (2) the purchase price received in connection with such Disposition shall consist of no less than 75% cash and Cash Equivalents, and (D) the Net Proceeds received from such Disposition shall be subject to Section 2.05(e); and

(j) transactions expressly permitted under Section 7.01, 7.02, 7.04, 7.06, 7.07 or 7.09, in each case to the extent constituting a Disposition.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance withSection 6.04;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by applicable Laws, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 6.04;

(c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, other than any Lien imposed by ERISA;

(d) deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) Liens in respect of judgments that would not constitute an Event of Default under Section 8.01(h);

(f) easements, servitudes, covenants, conditions, restrictions, building code laws, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of a Loan Party and such other minor title defects or survey matters that are disclosed by current surveys that, in each case, do not materially interfere with the current use of the real property;

(g) Liens existing on the Effective Date and listed on Schedule 7.01 and any Permitted Refinancings thereof;

(h) Liens on fixed or capital assets acquired by any Loan Party which are permitted under clause (c) of the definition of Permitted Indebtedness so long as (i) such Liens and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after such acquisition, (ii) the Indebtedness secured thereby does not exceed the cost of acquisition of such fixed or capital assets and (iii) such Liens shall not extend to any property or assets of the Loan Parties other than such fixed or capital assets and the products and proceeds thereof and books and records related thereto;

(i) Liens in favor of the Agent or others securing the Obligations;

(j) landlords' and lessors' Liens in respect of rent not in default;

(k) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Investments owned as of the Effective Date and Permitted Investments, provided that such liens (a) attach only to such Investments and (b) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing;

(l) (i) Liens arising solely by virtue of any statutory or common law provisions relating to banker's liens, liens in favor of securities intermediaries, rights of setoff or similar rights and remedies as to deposit accounts or securities accounts or other funds maintained with depository institutions or securities intermediaries and (ii) consensual Liens in favor of the applicable financial institution or broker on such accounts, and all funds or investment property credited thereto, solely to the extent arising pursuant to such financial institution's or broker's standard terms and conditions of account and securing only obligations with respect to such accounts owing to such financial institution or broker under such standard terms and conditions;

(m) Liens arising from precautionary UCC filings regarding "true" operating leases or the consignment of goods to a Loan Party;

(n) voluntary Liens on property in existence at the time such property is acquired or on such property of a Material Subsidiary of a Loan Party in existence at the time such Material Subsidiary is acquired; provided, that such Liens are not incurred in connection with or in anticipation of such acquisition and do not attach to any other assets of any Loan Party or any Material Subsidiary;

(o) Liens in favor of customs and revenues authorities imposed by applicable Laws arising in the ordinary course of business in connection with the importation of goods and securing obligations (i) that are not overdue by more than thirty (30) days, or (ii) that are being contested in compliance with Section 6.04;

(p) Liens securing Permitted Indebtedness described in clause (d) of the definition thereof;

(q) Liens securing pre-funded escrow accounts with respect to earn outs permitted pursuant toclause (g)(ii) of the definition of Permitted Indebtedness;

(r) Liens on assets of Foreign Subsidiaries that are not Loan Parties securing Permitted Indebtedness described inclause (m) of the definition thereof;

(s) [reserved];

(t) Liens on items of specific furniture (excluding, for the avoidance of doubt, Inventory of the Loan Parties), fixtures and Equipment financed by any holder of Indebtedness permitted pursuant to clause (q) of the definition of Permitted Indebtedness;

(u) Liens on items of specific software rights financed by any holder of Indebtedness permitted pursuant toclause (r) of the definition of Permitted Indebtedness;

(v) [reserved];

(w) Liens (i) solely on any cash earnest money deposits made by the Loan Parties and Material Subsidiaries in connection with any letter of intent or purchase agreement permitted under this Agreement, or (ii) consisting of an agreement to dispose of any property pursuant to a disposition permitted hereunder;

(x) Liens on the Collateral in favor of the ABL Agent securing ABL Indebtedness permitted underclause (j) of the definition of Permitted Indebtedness; and

(y) Liens in favor of any holder of Indebtedness permitted pursuant toclause (s) of the definition of Permitted Indebtedness; provided, that such Liens shall be junior and subordinate to the Liens of the Agent on the Collateral, and the Person holding such Liens shall have entered into an intercreditor and subordination agreement reasonably acceptable to the Agent and the Required Lenders.

"Permitted Indebtedness" means each of the following:

(a) Indebtedness outstanding on the Effective Date and listed on Schedule 7.03 and any Permitted Refinancing thereof;

(b) Indebtedness consisting of Permitted Investments described in clause (g) of the definition thereof;

(c) purchase money Indebtedness of any Loan Party to finance the acquisition of any real or personal property consisting solely of fixed or capital assets, including Capital Lease Obligations, and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to or within ninety (90) days after the acquisition thereof, and Permitted Refinancings thereof; provided, further, that the aggregate principal amount of Indebtedness permitted by this clause (c) shall not exceed $100,000,000 at any time outstanding (excluding any current and future Capital Lease Obligations in respect of real estate leases); and provided, lastly, that if requested by the Agent (at the instruction of the Required Lenders), the Loan Parties shall use commercially reasonable efforts to cause the holders of such Indebtedness to enter into a use and access agreement on terms reasonably satisfactory to the Agent and Required Lenders;

(d) Indebtedness incurred for the construction or acquisition or improvement of, or to finance or to refinance, any Real Estate owned by any Loan Party (including therein any Indebtedness incurred in connection with sale and leaseback transactions permitted hereunder and any Synthetic Lease Obligations); provided, further, that the Loan Parties shall use commercially reasonable efforts to cause the holders of such Indebtedness and the lessors under any sale and leaseback transaction to enter into a Collateral Access Agreement;

(e) contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business in connection with the construction or improvement of Stores;

(f) obligations (contingent or otherwise) of any Loan Party or any Subsidiary thereof existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates, and not for purposes of speculation or taking a "market view;"

(g) Indebtedness in connection with any Permitted Acquisition (i) with respect to the deferred purchase price therefor; provided that such Indebtedness does not require the payment in cash of principal (other than in respect of working capital adjustments) prior to the Maturity Date, has a final maturity which extends beyond the Maturity Date, and is subordinated to the Obligations on terms reasonably acceptable to the Required Lenders or (ii) consisting of any earn out or other payment of contingent consideration tied to the post-closing performance of the acquired Person, business, asset or property, to the extent that the payment of the full amount of such earn out or other consideration was permissible at the date of the closing of such Permitted Acquisition or otherwise has been pre-funded into an escrow account upon the consummation of such Permitted Acquisition;

(h) Indebtedness of any Person that becomes a Subsidiary of a Loan Party in a Permitted Acquisition, which Indebtedness is existing at the time such Person becomes a Subsidiary of a Loan Party (other than Indebtedness incurred solely in contemplation of such Person's becoming a Subsidiary of a Loan Party);

(i) the Obligations and any Incremental Term Loan;

(j) Indebtedness under the ABL Credit Agreement in an aggregate amount outstanding not to exceed the Maximum First Lien Facility Amount (as such term is defined in the ABL Intercreditor Agreement);

(k) [reserved;]

(l) unsecured Indebtedness to finance the repurchase of employee stock in accordance with the provisions of Section 7.06(c) hereof;

(m) Indebtedness of Foreign Subsidiaries that are not Loan Parties;

(n) Indebtedness of any Loan Party to any other Loan Party;

(o) Indebtedness of any Loan Party to any Affiliate that is not a Loan Party; provided, that at the time of incurrence of such Indebtedness and immediately after giving effect thereto, the Payment Conditions are satisfied;

(p) Subordinated Indebtedness and other unsecured Indebtedness not otherwise specifically described herein; provided that (i) at the time of incurrence of such Subordinated Indebtedness or other unsecured Indebtedness and after giving effect to such Indebtedness, the Total Leverage Ratio for Holdings and its Subsidiaries shall not exceed 6.35:1.00 on a pro forma basis, (ii) the weighted average life to maturity of such Indebtedness shall be at least six months following the Maturity Date and (iii) to the extent such Indebtedness is subordinated, the documentation governing such Indebtedness shall otherwise be in form and substance reasonably satisfactory to the Required Lenders;

(q) Indebtedness in an amount not to exceed $30,000,000 to finance owned specific furniture (excluding, for the avoidance of doubt, Inventory of the Loan Parties), fixtures and Equipment of the Loan Parties; *provided that*, upon the Loan Parties' entering into any such financing pursuant to this clause (q), the Agent shall release its Lien on the specific furniture, fixtures and Equipment subject to such financing, *provided* that the Agent shall retain rights to access such Equipment as necessary in order to exercise on the Collateral;

(r) Indebtedness in an amount not to exceed $30,000,000 to finance owned software rights of the Loan Parties; *provided that*, upon the Loan Parties' entering into any such financing pursuant to this clause (r), the Agent shall release its Lien on the software rights subject to such financing, *provided* that the Agent shall retain rights pursuant to an intercreditor agreement to access such software in order that such software can continue to be used by the business and as may be necessary for the Agent to exercise on the Collateral; and

(s) other Indebtedness not otherwise specifically described herein that may be secured by Liens junior to the Liens of the Agent and the Lenders; provided, that (i) at the time of incurrence of such secured Indebtedness and after giving effect to such Indebtedness, the Senior Secured Leverage Ratio for Holdings and its Relevant Subsidiaries shall not exceed 4.00:1.00 on a pro forma basis, (ii) the Liens securing such Indebtedness shall be junior and subordinate to the Liens securing the Obligations and any Lien in connection therewith constitutes a Permitted Encumbrance permitted pursuant to clause (y) of the definition thereof, (iii) such Indebtedness shall be subject to an intercreditor agreement reasonably acceptable to the Agent and the Required Lenders and (iv) such Indebtedness shall otherwise contain terms and conditions reasonably satisfactory to the Agent and the Required Lenders.

Notwithstanding anything to the contrary in the definition of Permitted Indebtedness, so long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), no Loan Party shall, nor shall it permit any Material Subsidiary to, directly or indirectly, incur any Indebtedness that is secured by a Lien with respect to Collateral, where such Lien ranks by its terms either (x) both junior in priority to the Lien securing the ABL Indebtedness and senior in priority to the Lien securing the Obligations or (y) pari passu with the Lien securing the Obligations (other than the Obligations and any Incremental Term Loan).

"Permitted Investments" means each of the following:

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(c) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least $1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(d) fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (c) above or with any primary dealer and having a market value at the time that such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(e) Investments, classified in accordance with GAAP as current assets of the Loan Parties, in any money market fund, mutual fund, or other investment companies that are registered under the Investment Company Act of 1940, as amended, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and which invest solely in one or more of the types of securities described in clauses (a) through (d) above;

(f) Investments existing on the Effective Date, and set forth on Schedule 7.02, but not any increase in the amount thereof or any other modification of the terms thereof;

(g) (i) Investments by any Loan Party and its Subsidiaries in their respective Subsidiaries outstanding on the Effective Date, (ii) additional Investments by any Loan Party and its Subsidiaries in Loan Parties, (iii) Investments by non-Loan Party Subsidiaries in other non-Loan Party Subsidiaries, (iv) up to $10,000,000 (at any time outstanding) of Investments after the Effective Date in Foreign Subsidiaries, and (v) Investments after the Effective Date by any Loan Party in non-Loan Party Subsidiaries in an amount not to exceed $60,000,000 (at any time outstanding), or any greater amount if the Payment Conditions are satisfied;

(h) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(i) Guarantees constituting Permitted Indebtedness;

(j) so long as no Default or Event of Default has occurred and is continuing or would result from such Investment, Investments by any Loan Party in Swap Contracts permitted hereunder;

(k) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(l) advances to officers, directors and employees of the Loan Parties and Subsidiaries in the ordinary course of business in an amount not to exceed $500,000 to any individual at any time or in an aggregate amount not to exceed $2,500,000 at any time outstanding, for travel, entertainment, relocation and analogous ordinary business purposes;

(m) Investments constituting Permitted Acquisitions; and

(n) other Investments not otherwise specifically described herein and not to exceed $60,000,000 (at any time outstanding), or any greater amount if the Payment Conditions are satisfied when such Investments are made and immediately after giving effect thereto;

provided, however, that notwithstanding the foregoing, (i) after the occurrence and during the continuance of a Cash Dominion Event, no additional Investments specified in clauses (a) through (e) and clause (n) or any reinvestment or rollover of any Investments specified in clauses (a) through (e) and clause (n) and outstanding prior to the occurrence and continuation of a Cash Dominion Event shall be permitted unless otherwise permitted pursuant to Section 2.05(e) hereof, as applicable, and (ii) such Investments shall be pledged to the Agent as additional collateral for the Obligations pursuant to such agreements as may be reasonably requested by the Agent (at the instruction of the Required Lenders).

"Permitted Refinancing" means, with respect to any Person, any Indebtedness issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund (collectively, to "Refinance"), the Indebtedness being Refinanced (or previous refinancings thereof constituting a Permitted Refinancing);provided, that (a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so Refinanced (plus unpaid accrued interest and premiums thereon and underwriting discounts, defeasance costs, fees, commissions and expenses), (b) the weighted average life to maturity of such Permitted Refinancing is greater than or equal to the weighted average life to maturity of the Indebtedness being Refinanced (c) such Permitted Refinancing shall not require any scheduled principal payments due prior to the Maturity Date in excess of the scheduled principal payments due prior to such Maturity Date for the Indebtedness being Refinanced, (d) if the Indebtedness being Refinanced is subordinated in right of payment to the Obligations under this Agreement, such Permitted Refinancing shall be subordinated in right of payment to such Obligations on terms at least as favorable to the Credit

Parties as those contained in the documentation governing the Indebtedness being Refinanced (e) no Permitted Refinancing shall have direct or indirect Loan Party or Subsidiary obligors who were not also obligors of the Indebtedness being Refinanced, or greater guarantees or security from Loan Parties or Subsidiaries, than the Indebtedness being Refinanced, and (f) such Permitted Refinancing shall be otherwise on terms, taken as a whole, not materially less favorable to the Loan Parties than those contained in the documentation governing the Indebtedness being Refinanced.

"Permitted Store Closings" means (a) Store closures and related Inventory dispositions which do not exceed in any Fiscal Year of Holdings and its Relevant Subsidiaries, ten (10%) percent of the number of the Loan Parties' Stores as of the beginning of such Fiscal Year (net of new Store openings), provided that, subject to clause (b) below, the Loan Parties may close any Stores the leases of which have expired in accordance with their terms and which have not been renewed or extended; and (b) the related Inventory is either (i) moved to a distribution center or another retail location of the Loan Parties for future sale in the ordinary course of business, or (ii) disposed of on-site by the applicable Loan Party, provided that all sales of Inventory in connection with Store closings (in a single transaction or series of related transactions) that exceed ten (10%) percent of the number of the Loan Parties' Stores as of the beginning of such Fiscal Year (net of new Store openings) shall be disposed of in accordance with liquidation agreements and with professional liquidators reasonably acceptable to the Required Lenders, and provided further that all Net Proceeds received in connection with such Permitted Store Closings and related Dispositions of Inventory shall be applied to the Obligations in accordance with Section 2.05 hereto.

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

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

"Platform" has the meaning specified in Section 6.02.

"Prepayment Event" means:

(a) Any Disposition (including pursuant to a sale and leaseback transaction) of any property or asset of a Loan Party (other than any Permitted Disposition described in clauses (a) or (f) of the definition thereof); or

(b) Any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of (and payments in lieu thereof), any property or asset of a Loan Party, unless (i) the proceeds therefrom are required to be paid to the holder of a Lien on such property or asset having priority (and permitted by this Agreement to have priority) over the Lien of the Agent securing the Obligations or (ii) prior to the occurrence of an Event of Default, the proceeds therefrom are deposited into a segregated account and utilized for purposes of replacing or repairing the assets in respect of which such proceeds, awards or payments were received within 180 days of the occurrence of the damage to or loss of the assets being repaired or replaced.

"Pro Forma Excess Availability" shall mean, for any date of calculation, after giving pro forma effect to the transaction or payment or Restricted Payment then to be consummated, Excess Availability on the date of such transaction or payment and on a projected basis as of the end of each Fiscal Month during any subsequent projected twelve (12) Fiscal Months.

"Public Lender" has the meaning specified in Section 6.02.

"Real Estate" means all Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

"Register" has the meaning specified in Section 10.06(c).

"Registered Public Accounting Firm" has the meaning specified by the Securities Laws and shall be independent of Holdings and its Subsidiaries as prescribed by the Securities Laws.

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

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

"Reports" has the meaning provided in Section 9.12(b).

"Required Lenders" means, as of any date of determination, Lenders holding in the aggregate more than 50% of the then outstanding amount of the Term Loan.

"Responsible Officer" means any chief financial officer or the chief executive officer, chief operating officer, chief administrative officer, president, treasurer or assistant treasurer of a Loan Party or any of the other individuals designated in writing to the Agent by an existing Responsible Officer of a Loan Party as an authorized signatory of any certificate or other document to be delivered hereunder. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment. Without limiting the foregoing, "Restricted Payments" with respect to any Person shall also include all payments made by such Person with any proceeds of a dissolution or liquidation of such Person.

"RP Conditions" means, at the time of determination with respect to any proposed Restricted Payment, that: (a) no Default or Event of Default then exists or would arise as a result of the making of such Restricted Payment, (b) solely with respect to any Restricted Payments to be made for (i) the third fiscal quarter of the Loan Parties Fiscal Year 2017, after giving effect to such Restricted Payment, the Total Leverage Ratio for Holdings and its Relevant Subsidiaries shall not exceed 6.35:1.00, and (ii) the fourth fiscal quarter of the Loan Parties Fiscal Year 2017, after giving effect to such Restricted Payment, the Total Leverage Ratio for Holdings and its Relevant Subsidiaries shall not exceed 5.75:1.00, (c) after giving effect to such Restricted Payment, the Senior Secured Leverage Ratio for Holdings and its Relevant Subsidiaries shall not exceed 5.00:1.00, and (d) after giving effect to such Restricted Payment, either:

(i) (x) the Pro Forma Excess Availability following, and after giving effect to, such Restricted Payment, will be greater than the greater of (x) $60,000,000 and (y) fifteen percent (15%) of the Loan Cap and (y) the Consolidated Fixed Charge Coverage Ratio, calculated on a trailing twelve month basis after giving pro forma effect to such Restricted Payment, is equal to or greater than 1.00:1.00, or

(ii) the Pro Forma Excess Availability following, and after giving effect to, such Restricted Payment, will be greater than the greater of (x) twenty-five percent (25%) of the Loan Cap and (y) $100,000,000.

Prior to undertaking any Restricted Payment which is subject to the RP Conditions, the Loan Parties shall deliver to the Agent evidence of satisfaction of the conditions contained in clause (b) above on a pro forma basis (including, without limitation, giving due consideration to results for prior periods) reasonably satisfactory to the Required Lenders.

"Sanction(s)" means any sanction administered or enforced by the United States Government (including, without limitation, OFAC), the Government of Canada, the United Nations Security Council, the European Union, Her Majesty's Treasury ("HMT") or other relevant sanctions authority.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

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

"Securities Laws" means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or any similar foreign applicable Laws.

"Security Agreement" means the Security Agreement dated as of the Effective Date among the Loan Parties and the Agent.

"Security Documents" means the Security Agreement, the Blocked Account Agreements, and each other security agreement or other instrument or document executed and delivered to the Agent or any Lender pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

"Senior Notes" means, collectively, (i) the 0.00% convertible senior notes due 2019 issued by Holdings in the principal amount of $350,000,000, and (ii) the 0.00% convertible senior notes due 2020 issued by Holdings in the principal amount of $300,000,000.

"Senior Secured Leverage Ratio" means, as of any date of determination, *the ratio of* (a) (i) the Obligations *plus* (ii) all other Consolidated Funded Indebtedness that is secured (x) by a Lien on the Collateral that is *pari passu* with, or senior in priority to, the Liens on the Collateral that secure the

Obligations or (y) by a Lien on any other asset or property of Holdings and its Relevant Subsidiaries that does not constitute Collateral,*to* (b) Consolidated EBITDA, in each case of or by Holdings and its Relevant Subsidiaries for the most recently completed twelve month period as of the end of the prior Fiscal Quarter of Holdings and its Relevant Subsidiaries, all as determined on a Consolidated basis in accordance with GAAP. For the avoidance of doubt, the numerator of the Senior Secured Leverage Ratio shall not include Indebtedness that is unsecured and the existence of a guaranty with respect to any Indebtedness shall not cause such Indebtedness to be deemed to be secured Indebtedness for these purposes unless the obligations of such guaranty are themselves subject to a security interest.

"Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of Holdings and its Subsidiaries as of that date determined in accordance with GAAP.

"Solvent" and "Solvency" means, with respect to any Person on a particular date, that on such date (a) at fair valuation, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair saleable value of the properties and assets of such Person is not less than the amount that would be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person's ability to pay as such debts mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or transaction, for which such Person's properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. The amount of all guarantees at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

"Spot Rate" means the exchange rate, as determined by the Agent, that is applicable to conversion of one currency into another currency, which is (a) the exchange rate reported by Bloomberg (or other commercially available source designated by the Agent) as of the end of the preceding business day in the financial market for the first currency; or (b) if such report is unavailable for any reason, the spot rate for the purchase of the first currency with the second currency as in effect during the preceding business day in the Agent's principal foreign exchange trading office for the first currency.

"Store" means any retail store (which may include any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by any Loan Party.

"Subordinated Indebtedness" means Indebtedness which is expressly subordinated in right of payment to the prior payment in full of the Obligations and which is in form and on terms approved in writing by the Agent.

"Subsidiary" of a Person means a corporation, partnership, joint venture, limited or unlimited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of a Loan Party.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward

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

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

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Loan" means the term loan by the Lenders to the Borrowers under Article II.

"Term Loan Commitments" means, as to each Lender, its obligation to make the Term Loan to the Borrowers on the Effective Date pursuant to Article II in the amount set forth opposite such Lender's name on Schedule 2.01.

"Term Note" means a promissory note made by the Borrowers in favor of a Lender evidencing the portion of the Term Loan made by such Lender, substantially in the form of Exhibit A.

"Total Leverage Ratio" means, as of any date of determination, *the ratio of* (a) Consolidated Funded Indebtedness *to* (b) Consolidated EBITDA, in each case of or by Holdings and its Relevant Subsidiaries for the most recently completed twelve month period as of the end of the prior Fiscal Quarter of Holdings and its Relevant Subsidiaries, all as determined on a Consolidated basis in accordance with GAAP.

"Total Outstandings" means the aggregate Outstanding Amount of all Loans.

"Trademark" has the meaning given to such term in the Security Agreement.

"Trading with the Enemy Act" has the meaning set forth in Section 10.18.

"UCC" or "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

"United States" and "U.S." mean the United States of America.

"U.S. Concentration Account" has the meaning provided in Section 6.12(b).

"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 write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

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

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

(d) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean the repayment in Dollars in full in cash or immediately available funds of all of the Obligations other than unasserted contingent indemnification Obligations.

1.03 Accounting Terms

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

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Lead Borrower or the Required Lenders shall so request, the Agent, the Lenders and the Lead Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Lead Borrower shall provide to the Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

(c) Transition from GAAP Accounting to IFRS Standards If the Loan Parties shall elect as of the end of any financial reporting period to prepare their financial statements in accordance with International Financial Reporting Standards, as published by the International Accounting Standards Board ("IFRS"), rather than GAAP, then, following delivery to the Agent of a completed Compliance Certificate attaching the information required to be delivered for such financial reporting period, the parties hereto shall use their best efforts to amend (in a manner mutually satisfactory to Lenders and Loan Parties) the thresholds or methods of calculation required by Section 7.16 (including any definitions or components applicable thereto) such that compliance therewith is neither more nor less burdensome (as determined by the Required Lenders in their sole discretion) to Loan Parties as a result of such conversion to IFRS and, thereafter, all references in the Loan Documents to GAAP shall be deemed references to IFRS.

1.04 Pro Forma

1.05 Calculations.

For purposes of determining pro forma compliance with any Total Leverage Ratio or Senior Secured Leverage Ratio or whether a Default or Event of Default has occurred or would result therefrom, in each case in connection with the incurrence of Indebtedness or the making of certain payments with respect to Indebtedness, the making of certain Investments, the making of certain Restricted Payments or any other transaction or payment subject to ratios and/or absence of Default or Event of Default, to the extent the Lead Borrower is required to deliver both Draft Quarterly Financial Statements and Final Quarterly Financial Statements pursuant to the proviso set forth in Section 6.01(b) and pro forma

compliance is required to be determined in the intervening period between the delivery of the Draft Quarterly Financial Statements and the Final Quarterly Financial Statements, pro forma compliance shall be calculated initially utilizing the Draft Quarterly Financial Statements and shall be subsequently recalculated upon the receipt of the Final Quarterly Financial Statements. In the event the Loan Parties were determined to be in pro forma compliance as a result of the calculations based on the Draft Quarterly Financial Statements but, upon the delivery of the Final Quarterly Financial Statements, are deemed to have not been in pro forma compliance based on the recalculated figures, an Event of Default shall have occurred as of the date of the incurrence of such Indebtedness or the making of certain payments with respect to such Indebtedness, the making of such Investment, the making of such Restricted Payment or the making of such other payment or the consummation of such other transaction; provided however, that if the Loan Parties are able to cure such Event of Default (whether by means of the return of the impermissible payment or otherwise) on or prior to the date of delivery of the Final Quarterly Financial Statements, such Event of Default with respect to such impermissible transaction shall be deemed not to have occurred.

1.06 Times of Day.

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

ARTICLE II
THE COMMITMENTS

2.01 The Term Loan.

Subject to the terms and conditions set forth herein, each Lender severally agrees to make its portion of the Term Loan to the Lead Borrower on the Effective Date, which shall be a Business Day, in an amount equal to the amount of such Lender's Term Loan Commitment. Upon the funding of the Term Loan on the Effective Date, all Term Loan Commitments of the Lenders shall automatically terminate. Once repaid, no portion of the Term Loan may be reborrowed.

2.02 Conversions and Continuations of Loans.

(a) The Term Loan shall initially be a LIBOR Rate Loan with an interest period of one (1) month and shall be made solely in Dollars.

(b) Each conversion or continuation of LIBOR Rate Loans shall be made upon the Lead Borrower's irrevocable written notice to the Agent. Each such notice must be received by the Agent not later than 11:00 a.m. three Business Days prior to the requested date of any conversion or continuation of LIBOR Rate Loans. Each conversion or continuation of LIBOR Rate Loans shall be in the entire outstanding amount of the Term Loan. Any Term Loan Notice made in respect of the Effective Date or thereafter with respect to any conversion or continuation of the Term Loan shall specify (i) whether the Lead Borrower is requesting a conversion or a continuation of the Term Loan as a LIBOR Rate Loan, (ii) the requested date of the conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of the Term Loans to be converted or continued, and (iv) if applicable, the duration of the Interest Period with respect thereto. If the Lead Borrower fails to specify the Interest Period in a Term Loan Notice or if the Lead Borrower fails to give a timely notice requesting a conversion or continuation, then the Term Loan shall continue at the then applicable Interest Period.

(c) Following receipt of a Term Loan Notice, the Agent shall promptly provide a copy of thereof to each Lender, and if no timely notice of a conversion or continuation is provided by the Lead Borrower, the Agent shall notify each Lender of the details of any automatic continuation of the Term Loan. Upon satisfaction of the applicable conditions set forth in Section 4.01, each Lender shall make the amount of its Loan available to the Lead Borrower (or such account as the Lead Borrower may designate) in immediately available funds not later than 11:00 a.m. on the Business Day specified in the Term Loan Notice.

(d) [Reserved].

(e) Except as otherwise provided herein, a LIBOR Rate Loan may be continued or converted only on the last day of an Interest Period for such LIBOR Rate Loan. During the existence of a Default or an Event of Default, no Loans may be requested as, converted to or continued without the Consent of the Required Lenders.

(f) The Agent shall promptly notify the Lead Borrower and the applicable Lenders of the interest rate applicable to any Interest Period for LIBOR Rate Loans upon determination of such interest rate.

(g) There shall not be more than one (1) Interest Period in effect with respect to LIBOR Rate Loans at any time.

2.03 Reserved.

2.04 Reserved.

2.05 Optional and Mandatory Prepayments.

(a) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Agent, at any time or from time to time voluntarily prepay the outstanding amount of the Term Loan, in whole or in part, together with the Applicable Premium in respect of the principal amount so prepaid; provided that (i) such notice must be received by the Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of the Term Loan, and (ii) any prepayment shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof, or, if less, the entire principal amount of the Term Loan then outstanding. Each such notice shall specify the date and amount of such prepayment. The Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Lead Borrower, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBOR Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the outstanding amount of the Term Loan of the Lenders in accordance with their respective Applicable Percentages.

(b) [Reserved].

(c) No later than two (2) Business Days following the date of receipt by any Loan Party or any of its Subsidiaries of the Net Proceeds from the issuance or sale of any Indebtedness (other than the Net Proceeds of Permitted Indebtedness), the Borrowers shall prepay the Term Loan, in an amount equal to one hundred percent (100%) of the Net Proceeds of such issuance or sale, together with the Applicable Premium in respect of the principal amount so prepaid;

(d) No later than the fifth (5th) Business Day after the date on which financial statements are due pursuant to Section 6.01(a) for each Fiscal Year, beginning with the Fiscal Year ending January 27, 2018, the Borrowers shall prepay the Term Loan in an amount equal to seventy five percent (75.0%) of Consolidated Excess Cash Flow for such Fiscal Year minus, in each case and in the manner set forth in the Consolidated Excess Cash Flow Certificate, voluntary prepayments of the Term Loan and ABL Indebtedness (to the extent accompanied by a permanent reduction in commitments in respect thereof) made during such Fiscal Year by any Borrower pursuant to the terms and conditions herein, together with the Applicable Premium in respect of the principal amount so prepaid; provided, that no prepayment of the Term Loan shall be required under this Section 2.05(d) with respect to any Fiscal Year to the extent that the Senior Secured Leverage Ratio for such Fiscal Year is less than 4.00 to 1.00.

(e) The Borrowers shall prepay the Term Loan in an amount equal to the Net Proceeds received by a Loan Party on account of a Prepayment Event, together with the Applicable Premium in respect of the principal amount so prepaid; provided, that any Net Proceeds received by a Loan Party on account of a Prepayment Event that are actually applied to the permanent prepayment of the ABL Indebtedness in accordance with Section 2.05(e) of the ABL Credit Agreement shall not be required to be used to prepay the Term Loan.

(f) Prepayments made by the Borrowers pursuant to Sections 2.05 shall be applied ratably to the outstanding amount of the Term Loan and the Applicable Premium due in connection therewith, until the Term Loan and all Applicable Premium due in connection with the prepayment thereof is paid in full, and thereafter, shall be applied to any remaining outstanding Obligations in such order as set forth in Section 8.03.

(g) Applicable Premium. Upon the occurrence of an Applicable Premium Trigger Event, the Borrowers shall pay to Agent, for the ratable account of the Lenders, the Applicable Premium. Without limiting the generality of the foregoing and notwithstanding anything to the contrary in this Agreement or any other Loan Document, it is understood and agreed that if the Obligations are accelerated as a result of the occurrence and continuance of any Event of Default (including by operation of law or otherwise), the Applicable Premium, if any, determined as of the date of acceleration, will also be due and payable and will be treated and deemed as though the Term Loans were prepaid as of such date and shall constitute part of the Obligations for all purposes herein. Any Applicable Premium payable in accordance with this Section 2.05(g) shall be presumed to be equal to the liquidated damages sustained by the Lenders as the result of the occurrence of the Applicable Premium Trigger Event, and the Borrowers and the other Loan Parties agree that it is reasonable under the circumstances currently existing. THE BORROWERS AND THE OTHER LOAN PARTIES EXPRESSLY WAIVE THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING APPLICABLE PREMIUM IN CONNECTION WITH ANY SUCH ACCELERATION. The Applicable Premium, if any, shall also be payable in the event the Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means. The Borrowers and the other Loan Parties expressly agree that (i) the Applicable Premium is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel, (ii) the Applicable Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made, (iii) there has been a course of conduct between Lenders and the Loan Parties giving specific consideration in this transaction for such agreement to pay the Applicable Premium, (iv) the Loan Parties shall be estopped hereafter from claiming differently than as agreed to in this Section 2.05(g), (v) their agreement to pay the Applicable Premium is a material inducement to the Lenders to provide the Term Loan, and (vi) the Applicable Premium represents a good faith, reasonable estimate and calculation of the lost profits or damages of the Lenders and that it would be impractical and extremely difficult to ascertain the actual amount of damages to the Lenders or profits lost by the Lenders as a result of any Applicable Premium Trigger Event.

(h) Any mandatory prepayment required to be made pursuant to Section 2.05 may be declined in whole or in part by any Lender without prejudice to such Lender's rights hereunder to accept or decline any future payments in respect of any mandatory prepayments, by providing notice to Agent no later than 5:00 p.m. (New York City time) two (2) Business Days (or such other date acceptable to Agent) following the date that such Lender was notified of such prepayment. If a Lender chooses not to accept payment in respect of a mandatory prepayment in whole or in part, the other Lenders that accept such mandatory prepayment shall have the option to share such proceeds on a pro rata basis, and if declined by all Lenders such declined proceeds shall be retained by the Borrowers.

2.06 Reserved.

2.07 Repayment of All Obligations at Maturity.

(a) The Borrowers shall repay the Term Loans and all other outstanding Obligations (including the Applicable Premium in respect of the Term Loan so repaid) on the Maturity Date, unless sooner required as a result of acceleration of such Obligations in accordance with this Agreement and applicable Law.

2.08 Interest.

(a) Subject to the provisions of Section 2.08(b) below, each Term Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Adjusted LIBOR Rate for such Interest Period plus the Applicable Margin.

(b) (i) If any Event of Default exists, then the Agent may, and upon the request of the Required Lenders shall, notify the Lead Borrower that, from the first date of such Event of Default, all outstanding Obligations shall bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by Law.

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

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

2.09 Fees. The Borrowers shall pay to the Agent and the Lenders for their own account fees in the amounts and at the times specified in the Agent Fee Letter and Lender Fee Letter, respectively. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees.

All computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12(a), bear interest for one day. Each determination by the Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

The Loans made by each Lender shall be evidenced by one or more accounts or records maintained by the Agent (the "Loan Account") in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection with the Obligations due to such Lender. The accounts or records maintained by the Agent and each Lender shall be conclusive absent manifest error of the amount of the Loans made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Agent, the Borrowers shall execute and deliver to such Lender (through the Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrowers will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

2.12 Payments Generally; Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Agent for the account of the respective Lenders to which such payment is owed, at the Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments shall be made in Dollars. The Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Agent after 2:00 p.m. shall, at the option of the Agent, be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment (other than with respect to payment of a LIBOR Rate Loan) to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) [Reserved].

(ii) Payments by Borrowers; Presumptions by Agent. Unless the Agent shall have received notice from the Lead Borrower prior to the time at which any payment is due to the Agent for the account of the Lenders hereunder that the applicable Borrowers will not make such payment, the Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the applicable Lenders, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the applicable Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

A notice of the Agent to any Lender or the Lead Borrower with respect to any amount owing under this Section 2.12(b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the applicable Borrowers by the Agent because the conditions to the applicable Loan set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.02 hereof), the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make the Term Loan and to make payments hereunder are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment hereunder on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment hereunder.

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

2.13 Sharing of Payments by Lenders. If any Credit Party shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to, any of the Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Obligations greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.03), then the Credit Party receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Obligations or the Term Loan of the other applicable Credit Parties, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the applicable Credit Parties ratably and in the priorities set forth in Section 8.03, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement 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, other than to the Borrowers or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Reserved.

2.15 Incremental Term Loan.

(a) Request for Incremental Term Loan Commitments. Provided no Default or Event of Default then exists or would arise therefrom and subject to the other terms and conditions of this Section 2.15, upon notice to the Agent (which shall promptly notify the Lenders), the Lead Borrower may from time to time request from the existing Lenders (an "Incremental Request") an increase in the commitments for the Term Loan under a new term loan tranche or under any existing term loan tranche (each, an "Incremental Term Loan Commitment" and each term loan thereunder, an "Incremental Term Loan"); provided that (i) any such request for an increase shall be in a minimum amount of $10,000,000, and (ii) the Lead Borrower may make a maximum of four (4) such requests. The Lead Borrower shall specify in each Incremental Request (x) the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders) (the "Incremental Response Period"), (y) the date (an "Incremental Effective Date") on which such Incremental Term Loan is requested to be made (which shall in no event be less than fifteen (15) Business Days nor more than sixty (60) days after the date of delivery of such notice to the Lenders) and (z) all material terms and conditions of such proposed Incremental Term Loan and Incremental Term Loan Commitment.

(b) Allocation of Incremental Term Loan Commitments.

(i) Each Lender shall notify the Agent within such time period whether or not it agrees to provide an Incremental Term Loan Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. In consultation with Lead Borrower, the Agent shall allocate the Incremental Term Loan Commitments to the Lenders that have agreed to provide Incremental Term Loan Commitments; *provided* that, each participating Lender shall be entitled to at least its Applicable Percentage of the Incremental Term Loan Commitments to the extent it has agreed to do so. Any Lender not responding within such time period shall be deemed to have declined to provide an Incremental Term Loan Commitment. Nothing in this Agreement shall be construed to obligate any Lender to provide any Incremental Term Loan Commitment or Incremental Term Loan, and each Lender's decision whether or not to participate shall be made in its own sole discretion.

(ii) If Agent does not receive sufficient Incremental Term Loan Commitments from existing Lenders, it may allocate unsubscribed amounts to any other Person reasonably acceptable to Agent that is an Eligible Assignee and that agrees to provide an Incremental Term Loan Commitment (each such Person, an "Incremental Additional Lender" and together with all existing Lenders providing an Incremental Term Loan Commitment, collectively, the "Incremental Lenders").

(iii) Notwithstanding anything to the contrary herein, to the extent that the terms or conditions of any proposed Incremental Term Loan Commitment or Incremental Term Loan are materially changed from those specified in any Incremental Request in a manner which is, taken as a whole, more favorable to the lenders of the Incremental Term Loan as compared to the terms and conditions set forth in the Incremental Request, the Lead Borrower shall provide written notice to the Agent of such changed terms, and the Agent shall promptly provide such notice to any Lender that has previously declined to provide an Incremental Term Loan Commitment in respect thereof, and each such Lender shall be granted a new Incremental Response Period beginning on the date of its receipt of such notice to elect whether to provide an Incremental Term Loan Commitment in accordance with Sections 2.15(a) and 2.15(b)(i) above.

(c) Conditions to any Incremental Term Loan. In addition to other conditions set forth in this Section 2.15 that may be applicable thereto, no Incremental Term Loan shall be made unless the following conditions precedent have been satisfied:

(i) before and after giving effect to such increase, (A) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.15, the representations and warranties contained in Section 5.05(a) and (b) shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) and (b), (B) no Default or Event of Default exists or would arise therefrom, and (C) the Senior Secured Leverage Ratio, calculated on a trailing twelve month basis after giving pro forma effect to the Incremental Term Loan and the use of proceeds thereof and all other transactions contemplated to be undertaken in connection therewith on the Incremental Effective Date, shall not exceed 4.00 to 1.00, and the Lead Borrower shall have delivered to the Agent a certificate dated as of the Incremental Effective Date signed by a Responsible Officer of the Lead Borrower and certifying to the satisfaction of the conditions set forth in this clause (c)(i) (with supporting calculations in respect of the condition in clause (c)(i)(C) reasonably satisfactory to the Agent and the Required Lenders);

(ii) the Borrowers, the Agent, and any Incremental Additional Lender shall have executed and delivered a joinder to the Loan Documents in such form as the Agent shall reasonably require;

(iii) the Borrowers shall have paid such fees and other compensation to the Incremental Lenders as the Lead Borrower Incremental Lenders shall agree;

(iv) the Borrowers shall have paid such arrangement fees to the Agent as the Lead Borrower and Agent may agree;

(v) the Agent shall have received, to the extent Agent or the Incremental Additional Lenders shall have required or requested, customary legal opinions from Borrowers' counsel, customary evidence of authorization with respect to any of the officers executing any documentation with respect to the Incremental Term Loan, Organization Documents and good standing certificates from Borrowers in their jurisdictions of organization and a secretary certificate and officer's certificate from Borrowers, and such other instruments, documents and agreements as the Agent or Incremental Additional Lenders may reasonably have requested, in each case, in form and substance satisfactory to Agent and Incremental Additional Lenders in their reasonable discretion; and

(vi) each Incremental Term Loan shall be used solely for purposes permitted under Section 7.11.

(d) Terms Applicable to Each Incremental Term Loan. In addition to the other conditions set forth in this Section 2.15 that may be applicable thereto, no Incremental Term Loans under any Incremental Facility shall become effective under this Section 2.15 unless:

(i) (x) the final maturity of any Incremental Term Loan shall not be earlier than the Maturity Date and (y) the weighted average life to maturity of any Incremental Term Loan shall not be shorter than the remaining weighted average life to maturity of the Term Loan existing immediately prior to the Incremental Effective Date;

(ii) the Effective Yield applicable to such Incremental Term Loan shall be determined by Borrowers and the Incremental Lenders and shall be set forth in each applicable Incremental Amendment; provided, however, that the Effective Yield applicable to such Incremental Term Loan shall not be greater than the applicable Effective Yield payable pursuant to the terms of this Agreement as amended through the date of such calculation with respect to the then outstanding Term Loan and any then outstanding prior Incremental Term Loan, *plus* 100 basis points per annum, unless the interest rate (together with, as provided in the proviso below, the floors applicable to the Adjusted LIBOR Rate) with respect to then outstanding Term Loan and any then outstanding prior Incremental Term Loan is increased so as to cause the then applicable Effective Yield under this Agreement on then outstanding Term Loan and any then outstanding prior Incremental Term Loan to equal the Effective Yield then applicable to such Incremental Term Loan *minus* 100 basis points; provided, further that if such Incremental Term Loan includes a floor applicable to the Adjusted LIBOR Rate greater than 1.00% per annum (or a floor applicable to a base rate greater than 2.00% per annum, if applicable), such differential between the applicable floors shall be equated to the applicable Effective Yield for purposes of determining whether an increase to the interest rate margin under the then outstanding Term Loan and any then outstanding prior Incremental Term Loan shall be required, but only to the extent an increase in either such floor in the then outstanding Term Loan and any then outstanding prior Incremental Term Loan would cause an increase in the interest rate then in effect thereunder, and in such case, the applicable floor (but not the interest rate margin) applicable to the then outstanding Term Loan and any then outstanding prior Incremental Term Loan shall be increased to the extent of such differential;

(iii) such Incremental Term Loan: (A) subject toclause (d)(i), shall have amortization determined by Borrowers and the applicable Incremental Lenders, and (B) may share, on no greater than a *pari passu* basis, in repayments and prepayments of the then outstanding Term Loan and any then outstanding prior Incremental Term Loan in accordance with this Agreement, as specified in any applicable definitive documentation with respect to such Incremental Term Loan; provided that, no mandatory prepayments of an Incremental Term Loan may be imposed if the events giving rise to such prepayments do not also give rise to a prepayment of then outstanding Term Loan;

(iv) such Incremental Term Loan shall (A) rank *pari passu* in right of payment and security with the Term Loan and any prior Incremental Term Loan existing immediately prior to the Incremental Effective Date, (B) not be secured by any Lien on any property or asset of any Loan Party or Subsidiary thereof that does not also secure the Term Loan and any prior Incremental Term Loan existing immediately prior to the Incremental Effective Date, (C) be made to the Borrowers and (D) shall not be guaranteed by any Person other than the Parties;

(v) the other covenants and terms of such Incremental Term Loan that are not substantially the same and/or consistent with the covenants and terms applicable to the Term Loans and any prior Incremental Term Loan existing immediately prior to the Incremental Effective Date (other than as required or expressly permitted pursuant to clauses (i) through (iv) above) shall be no more favorable (taken as a whole) to the Incremental Lenders providing such Incremental Term Loan than the covenants and terms that then exist for the benefit of the then existing Lenders (in respect of the Term Loans and any prior Incremental Term Loan existing immediately prior to the Incremental Effective Date), as determined by the Agent or Required Lenders in their reasonable discretion, except to the extent that (A) such covenants and/or terms are acceptable to Agent or Required Lenders in their reasonable discretion, or (B) such covenants and/or terms are applicable only to periods after the Maturity Date; provided, that, notwithstanding anything to the contrary, any additional financial maintenance covenant applicable to such Incremental Term Loan for periods prior to the Maturity Date shall be added for the benefit of Lenders under the Term Loans and any prior Incremental Term Loan existing immediately prior to the Incremental Effective Date.

(e) Required Amendments; Documentation; Rights of Incremental Lenders.

(i) Each Incremental Term Loan shall be evidenced by an amendment or supplement to this Agreement executed by Borrowers (and consented to by all other Loan Parties), Agent and the applicable Incremental Lenders (such amendment or supplement, an "Incremental Amendment") and such Incremental Amendment may, without the consent of any other Lender, effect such amendments to this Agreement and the other Financing Documents as may be necessary or appropriate, in the reasonable opinion of the Agent, the applicable Incremental Lenders, and the Lead Borrower, to effect the provisions of this Section 2.15. Agent shall promptly notify each Lender as to the effectiveness of each Incremental Amendment.

(ii) Each Incremental Lender shall be entitled to all the benefits afforded by this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably from the Guarantees and Liens created by the Security Documents.

(f) Conflicting Provisions. This Section 2.15 shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

2.16 Tax Treatment.

The Loan Parties, Lenders and Agent each agree (a) that the Loans are debt for U.S. federal income tax purposes, (b) that such Loan is not governed by the rules set out in Section 1.1275-4 of United States Treasury Regulations and (c) to adhere to this Agreement for U.S. federal income tax purposes and not to take any action or file any tax return, report or declaration inconsistent herewith. The inclusion of this Section 2.16 is not an admission by any Lender that it is subject to U.S. taxation.

ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY; APPOINTMENT OF LEAD BORROWER

3.01 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Loan Parties hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Loan Parties shall be required by Law to deduct, withhold or remit any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions, withholdings and remittances (including deductions, withholdings and remittances applicable to additional sums payable under this Section) the Agent or Lenders, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Loan Parties shall make such deductions, withholdings and remittances and (iii) the Loan Parties shall timely pay or remit the full amount deducted or withheld to the relevant Governmental Authority in accordance with Law.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of Section 3.01(a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Law.

(c) Indemnification by the Loan Parties. (i) The Loan Parties shall indemnify the Agent and each Lender within ten (10) days after 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) paid, withheld or remitted by the Agent or such Lender, as the case may be, and any penalties, interest and reasonable 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 to the Lead Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of the Agent or a Lender, shall be conclusive absent manifest error.

(ii) Notwithstanding the provisions of Section 3.01(a) or (b), (A) the Borrowers will not be required to indemnify any Foreign Lender, or pay any additional amount to such Foreign Lender, pursuant to Section 3.01(a), (b) or (c), in respect of Taxes to the extent that the obligation to pay or indemnify such additional amounts would not have arisen but for the failure of such Foreign Lender to comply with the provisions of Sections 3.01(e) or (f), and (B) each Credit Party will, and does hereby, indemnify the Borrowers and Agent, and will make payment in respect thereof within ten days after demand therefor, against any and all Taxes and any and all related losses, claims, liabilities, penalties, interest and expenses (including the fees, charges and disbursements of any counsel for the Borrowers or Agent) incurred by or asserted against any Borrower or Agent by any Governmental Authority as a result of the failure by such Credit Party to deliver, or as a result of the inaccuracy, inadequacy or deficiency of, any documentation required to be delivered by such Credit Party to the Borrowers or Agent pursuant to Sections 3.01(e) or (f). Each Credit Party hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Credit Party under this Agreement or any other Loan Document against any amount due to Agent under this Section 3.01(c)(ii). The agreements in this Section 3.01(c)(ii) will survive the resignation and/or replacement of Agent, any assignment of rights by, or the replacement of, a Credit Party, the termination of the Commitments and the repayment, satisfaction or discharge of all other Obligations.

(d) Evidence of Payments. As soon as practicable after any payment or remittance of Indemnified Taxes or Other Taxes by the Loan Parties to a Governmental Authority, the Lead Borrower shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or remittance or other evidence of such payment or remittance reasonably satisfactory to the Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Lead Borrower (with a copy to the Agent), at the time or times prescribed by Law or reasonably requested by the Lead Borrower or the Agent, such properly completed and executed documentation prescribed by Law as will permit such payments to be made without withholding or at a reduced rate of withholding. Such delivery shall be provided on the Effective Date and on or before such documentation expires or becomes obsolete or after the occurrence of an event requiring a change in the documentation most recently delivered. In addition, any Lender, if requested by the Lead Borrower or the Agent shall deliver such other documentation prescribed by Law or reasonably requested by the Lead Borrower or the Agent as will enable the Lead Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(f) Tax Documentation. Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States, (A) any Lender that is not a Foreign Lender shall deliver duly completed copies of Internal Revenue Service Form W-9 to the Lead Borrower and the Agent (in such number of copies as shall be requested by the recipient) and (B) any Foreign Lender shall deliver whichever of the following is applicable to the Lead Borrower and the Agent (in such number of copies as shall be requested by the recipient), in each case, on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Lead Borrower or the Agent, but only if such Foreign Lender is legally entitled to do so):

(i) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable) claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E (as applicable), or

(iv) any other form prescribed by Law as a basis for claiming exemption from or a reduction in United States Federal withholding Tax duly completed together with such supplementary documentation as may be prescribed by Law to permit the Lead Borrower to determine the withholding or deduction required to be made.

If a payment made to a Lender under any Loan Document would be subject to Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the 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 the Borrower or the Agent as may be necessary for the Borrower and the 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 paragraph, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

For purposes of Sections 3.01(e) and (f), the term "Lender" shall include Agent.

(g) Treatment of Certain Refunds. If the Agent or any 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 the Loan Parties or with respect to which the Loan Parties have paid additional amounts pursuant to this Section, it shall pay to the applicable Loan Parties an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), provided that the Loan Parties, upon the request of the Agent or such Lender,

agree to repay the amount paid over to the applicable Loan Parties (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent or such Lender in the event that the Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 3.01(g) shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Loan Parties or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBOR Rate Loans, or to determine or charge interest rates based upon the LIBOR Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Lead Borrower, through the Agent, any obligation of such Lender to make or continue LIBOR Rate Loans shall be suspended until such Lender notifies the Agent and the Lead Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Lead Borrower shall cooperate with the Required Lenders in good faith to determine a reasonably equivalent interest rate.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any LIBOR Rate Loan that (a) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and term of such LIBOR Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan, or (c) the LIBOR Rate for any requested Interest Period with respect to a proposed LIBOR Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Agent will promptly so notify the Lead Borrower and each applicable Lender. Thereafter, the obligation of the applicable Lenders to make or maintain LIBOR Rate Loans shall be suspended until the Agent (upon the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Lead Borrower shall cooperate with the Required Lenders in good faith to determine a reasonably equivalent interest rate.

3.04 Increased Costs; Reserves on LIBOR Rate Loans.

(a) Increased Costs Generally. Except to the extent addressed by Section 3.01, if any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by any Lender (except any reserve requirement reflected in the LIBOR Rate);

(ii) subject any Lender to any Taxes (other than (A) Indemnified Taxes and (B) Excluded Taxes) with respect to this Agreement or any LIBOR Rate Loan made by it; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or LIBOR Rate Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBOR Rate Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, the applicable Loan Parties will pay to such Lender such additional amount or amounts as will compensate such Lender 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 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 the applicable Loan Parties 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 Section 3.04(a) or (b) and delivered to the Lead Borrower shall be conclusive absent manifest error; provided that such amount shall be consistent with return metrics applied in determining amounts that such Lender has required other similarly situated borrowers or obligors to pay with respect to such increased costs or reduced returns. The applicable Loan Parties shall pay such Lender, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Lender's right to demand such compensation, provided that, notwithstanding the provisions of Section 3.04(a) and (b), the Loan Parties shall not be required to compensate a Lender pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender, as the case may be, notifies the Lead 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 six-month period referred to above shall be extended to include the period of retroactive effect thereof), and provided further that the Lender claiming compensation therefor shall apply consistent return metrics applied to other similarly situated borrowers or obligors with respect to such increased costs or reductions.

(e) Reserves on LIBOR Rate Loans. The Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each LIBOR Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Lead Borrower shall have received at least 10 days' prior notice (with a copy to the Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

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

(a) any continuation, payment or prepayment of any Loan, on a day other than the last day of the Interest Period for such Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow or continue any Loan on the date or in the amount notified by the Lead Borrower; or

(c) any assignment of a LIBOR Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Lead Borrower pursuant to Section 10.13;

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

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

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrowers may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrowers' obligations under this Article III shall survive termination of the Commitments and repayment of all Obligations.

3.08 Designation of Lead Borrower as Loan Parties' Agent.

(a) Each Borrower hereby irrevocably designates and appoints the Lead Borrower as such Borrower's agent to obtain the Term Loan and any Incremental Term Loan, the proceeds of which shall be available to each Borrower for such uses as are permitted under this Agreement. As the disclosed principal for its agent, each Borrower shall be obligated to each Credit Party on account of the Term Loan so made as if made directly by the applicable Credit Party to such Borrower, notwithstanding the manner

by which the Term Loan is recorded on the books and records of the Lead Borrower and of any other Borrower. In addition, each Loan Party other than the Borrowers hereby irrevocably designates and appoints the Lead Borrower as such Loan Party's agent to represent such Loan Party in all respects under this Agreement and the other Loan Documents.

(b) Each Borrower recognizes that credit available to it hereunder is in excess of and on better terms than it otherwise could obtain on and for its own account and that one of the reasons therefor is its joining in the credit facility contemplated herein with all other Borrowers. Consequently, each Borrower hereby assumes and agrees to discharge all Obligations of each of the other Borrowers.

(c) The Lead Borrower shall act as a conduit for each Borrower (including itself) on whose behalf the Lead Borrower has requested the Term Loan. Neither the Agent, any other Credit Party shall have any obligation to see to the application of such proceeds therefrom.

ARTICLE IV
CONDITIONS PRECEDENT TO LOANS

4.01 Conditions to Effectiveness. The effectiveness of this Agreement and the other Loan Documents and the commitment of each Lender, severally, to provide its Applicable Percentage of the Term Loan, is subject to satisfaction of the following conditions precedent:

(a) The Agent's receipt of the following, each of which shall be originals, telecopies or other electronic image scan transmission (e.g., "pdf" or "tif " via e-mail) (followed promptly by originals) unless otherwise specified, each dated the Effective Date (or, in the case of certificates of governmental officials, a recent date before the Effective Date) and each in form and substance satisfactory to the Agent:

(i) counterparts of this Agreement each properly executed by a Responsible Officer of the signing Loan Party and the Lenders sufficient in number for distribution to the Agent, each Lender and the Lead Borrower;

(ii) a Note executed by the applicable Borrowers in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Agent may require evidencing (A) the authority of each Loan Party to enter into this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and (B) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party;

(iv) copies of each Loan Party's Organization Documents and such other documents and certifications as the Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to so qualify in such jurisdiction could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Morrison & Foerster LLP, United States counsel to the Loan Parties, addressed to the Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Agent may reasonably request;

(vi) a certificate of a Responsible Officer of the Lead Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, (B) that there has been no event or circumstance since the date of the Audited Financial Statements that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) to the Solvency of the Loan Parties as of the Effective Date after giving effect to the transactions contemplated hereby, and (D) either that (1) no consents, licenses or approvals are required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, or (2) that all such consents, licenses and approvals have been obtained and are in full force and effect;

(vii) evidence that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agent required under the Loan Documents have been obtained and are in effect;

(viii) the Security Documents and certificates evidencing any stock being pledged thereunder, together with undated stock powers executed in blank, each duly executed by the applicable Loan Parties;

(ix) results of searches or other evidence reasonably satisfactory to the Agent (in each case dated as of a date reasonably satisfactory to the Agent) indicating the absence of Liens on the assets of the Loan Parties, except for Permitted Encumbrances and Liens for which termination statements and releases are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Agent for the delivery of such termination statements and releases, satisfactions and discharges have been made;

(x) (A) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Agent to be filed, registered or recorded to create or perfect the first priority (subject to Permitted Encumbrances having priority by operation of Law) Liens intended to be created under the Loan Documents and all such documents and instruments shall have been so filed, registered or recorded to the satisfaction of the Agent, (B) Blocked Account Agreements entered into with the applicable Blocked Account Banks, and (C) control agreements with respect to the Loan Parties' securities and investment accounts have been obtained;

(xi) the ABL Intercreditor Agreement, executed and delivered by the ABL Agent and acknowledged and agreed to by the Loan Parties, in form and substance satisfactory to the Agent and the Lenders; and

(xii) such other assurances, certificates, documents, consents or opinions as the Agent reasonably may require.

(b) After giving effect to the transactions contemplated hereby and the Term Loan to be made on the Effective Date, Excess Availability shall be not less than thirty-five percent (35%) of the Revolving Loan Cap (as defined in the ABL Credit Agreement).

(c) The Agent shall have received a Borrowing Base Certificate dated as of a date recent to the Effective Date, relating to the month ended on May 31, 2017, and executed by a Responsible Officer of the Lead Borrower.

(d) The Agent shall be reasonably satisfied that any financial statements delivered to it and the Lenders fairly present the business and financial condition of the Loan Parties and that there has been no Material Adverse Effect since January 28, 2017.

(e) The Agent and the Lenders shall have received and be satisfied with updated projections of the Loan Parties in form and substance acceptable to the Agent.

(f) There shall not be pending any litigation or other proceeding, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(g) There shall not have occurred any default of any Material Contract of any Loan Party which could reasonably be expected to have a Material Adverse Effect.

(h) The consummation of the transactions contemplated hereby shall not violate any Law or any Organization Document.

(i) All fees required to be paid to the Agent on or before the Effective Date shall have been paid in full, and all fees required to be paid to the Lenders on or before the Effective Date shall have been paid in full.

(j) The Borrowers shall have paid all fees, charges and disbursements of counsel to the Agent and the other Credit Parties to the extent invoiced prior to or on the Effective Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the Effective Date (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Agent).

(k) The Agent and the Lenders shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation, the USA PATRIOT Act and the AML Legislation, and shall have completed all customary business, legal and other due diligence reviews and are satisfied with the results.

(l) No material changes in governmental regulations or policies affecting any Loan Party or any Credit Party shall have occurred prior to the Effective Date.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

4.02 Additional Conditions to Making of Loans. The obligation of each Lender, severally, to provide its Applicable Percentage of the Term Loan on the Effective Date is subject to the following additional conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article V or in any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct on and as of the Effective Date, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, (ii) in the case of any representation and warranty qualified by materiality, they shall be true and correct in all respects and (iii) for purposes of this Section 4.02, the representations and warranties contained in Section 5.05(a) and (b) shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) and (b), respectively.

(b) No Default or Event of Default shall exist, or would result from the making of any Loans on the Effective Date or from the application of the proceeds thereof.

(c) The Agent shall have received a letter of direction with attached funds flow directing the proceeds of the Term Loan.

The Borrowers' request to make the Term Loan on the Effective Date (and acceptance thereof) shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the Effective Date. The conditions set forth in this Section 4.02 are for the sole benefit of the Credit Parties.

ARTICLE V
REPRESENTATIONS AND WARRANTIES

To induce the Credit Parties to enter into this Agreement and to make Loans hereunder, each Loan Party represents and warrants to the Agent and the other Credit Parties that:

5.01 Existence, Qualification and Power. Each Loan Party and each Material Subsidiary thereof (a) is a corporation, limited or unlimited liability company, partnership or limited partnership, duly incorporated, organized or formed, validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation, organization or formation, (b) has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, where applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Schedule 5.01 annexed hereto sets forth, as of the Effective Date, (i) with respect to each Loan Party, the name of such Loan Party as it appears in official filings in its jurisdiction of incorporation or organization, organization type, organization number, if any, issued by its jurisdiction of incorporation or organization, and its federal employer identification number or similar number in a foreign jurisdiction, (ii) a listing of which of the Loan Parties are Guarantors and which are Borrowers, (iii) a listing of all other Subsidiaries of each Loan Party that are not Loan Parties and the same general information as specified in clause (i) above with respect to each of such other Subsidiaries.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party, has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach, termination, or contravention of, or constitute a default under, or require any payment to be made under (i) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such

Person or the properties of such Person or any of its Material Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (c) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Agent under the Security Documents); or (d) violate any material Law.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) the perfection or maintenance of the Liens created under the Security Documents or (b) such as have been obtained or made and are in full force and effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other applicable Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.05 Financial Statements; No Material Adverse Effect

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of Holdings and its Relevant Subsidiaries as of the date thereof and their results of operations for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; and (iii) show all Material Indebtedness and other liabilities, direct or contingent, of Holdings and its Relevant Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited Consolidated balance sheet of Holdings and its Relevant Subsidiaries dated April 29, 2017, and the related Consolidated statements of income or operations, Shareholders' Equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of Holdings and its Relevant Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments.

(c) Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) To the best knowledge of the Lead Borrower, no Internal Control Event exists or has occurred since the date of the Audited Financial Statements that has resulted in or could reasonably be expected to result in a misstatement in any material respect (i) in any financial information delivered to the Agent or the Lenders, (ii) of any information set forth on a Borrowing Base Certificate, (iii) of covenant compliance calculations provided hereunder, or (iv) of the assets, liabilities, financial condition or results of operations of Holdings and its Relevant Subsidiaries on a Consolidated basis.

(e) The Consolidated forecasted balance sheet and statements of income and cash flows of Holdings and its Relevant Subsidiaries delivered pursuant to Section 6.01(d) were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Loan Parties' best estimate of its future financial performance.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened in writing or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Material Subsidiaries or against any of its properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect.

5.07 No Default. No Loan Party or any Material Subsidiary is in default under or with respect to, or party to, any Material Contract or any Material Indebtedness. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens

(a) Each of the Loan Parties has marketable title in fee simple to or valid leasehold interests in, all Real Estate necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each of the Loan Parties has good and marketable title to, valid leasehold interests in, or valid licenses to use all personal property and assets material to the ordinary conduct of its business.

(b) Schedule 5.08(b)(1) sets forth the address (including street address, county and state or province) of all Real Estate (excluding Leases) that is owned by the Loan Parties, together with a list of the holders of any mortgage or other Lien thereon as of the Effective Date. Each Loan Party has good, marketable and insurable fee simple title to the Real Estate owned by such Loan Party, free and clear of all Liens, other than Permitted Encumbrances. Schedule 5.08(b)(2) sets forth the address (including street address, county and state or province) of all Leases of the Loan Parties, together with the name of each lessor and its contact information with respect to each such Lease as of the Effective Date. Each of such Leases is in full force and effect and the Loan Parties are not in default of the terms thereof.

(c) Schedule 7.01 sets forth a complete and accurate list of all Liens on the property or assets of each Loan Party on the Effective Date, showing the lienholder thereof, the principal amount of the obligations secured thereby and the property or assets of such Loan Party subject thereto. The property of each Loan Party is subject to no Liens, other than Permitted Encumbrances.

(d) Schedule 7.02 sets forth a complete and accurate list of each Investment held by any Loan Party on the Effective Date, showing as of the Effective Date the amount, obligor or issuer and maturity, if any, thereof.

(e) Schedule 7.03 sets forth a complete and accurate list of all Indebtedness of each Loan Party on the Effective Date, showing as of the Effective Date the amount, obligor or issuer and maturity thereof.

5.09 Environmental Compliance.

(a) No Loan Party (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability, except, in each case, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) None of the properties currently, or, to the best knowledge of the Loan Parties, formerly, owned or operated by any Loan Party is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state, provincial, municipal or local list; there are no and never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or, to the best of the knowledge of the Loan Parties, on any property formerly owned or operated by any Loan Party; there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party; and Hazardous Materials have not been released, discharged or disposed of on any property currently or formerly owned or operated by any Loan Party.

(c) No Loan Party is undertaking, and no Loan Party has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party.

5.10 Insurance. The properties of the Loan Parties are insured with financially sound and reputable insurance companies which are not Affiliates of the Loan Parties, in such amounts, with such deductibles and covering such risks (including, without limitation, workmen's compensation, public liability, business interruption and property damage insurance) as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operates. Schedule 5.10 sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Effective Date. As of the Effective Date, each insurance policy listed on Schedule 5.10 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.11 Taxes. The Loan Parties have filed all federal, state, provincial and other material tax returns and reports required to be filed, and have paid all federal, state, provincial and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those (i) that are described on Schedule 5.11 hereto or (ii) that are being contested in good faith by appropriate proceedings being diligently conducted, for which adequate reserves have been provided in accordance with GAAP, as to which Taxes no Lien has been filed or seizure or garnishment made and which contest effectively suspends the collection of the contested obligation and the enforcement of any Lien or other right or remedy securing such obligation. There is no proposed tax assessment against any Loan Party that would, if made, have a Material Adverse Effect. Except with respect to a tax allocation agreement entered into between Holdings and Waterworks Holdings, Inc., no Loan Party or any Material Subsidiary thereof is a party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the IRS or the

remedial amendment period for such Plan has not expired and, to the best knowledge of the Lead Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification. The Loan Parties and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan. No Lien imposed under the Code or ERISA exists or is likely to arise on account of any Plan.

(b) There are no pending or, to the best knowledge of the Lead Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred, and neither the Lead Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan; (ii) the Lead Borrower and each ERISA Affiliate has met all applicable requirements under the Pension Funding Rules in respect of each Pension Plan, and no waiver of the minimum funding standards under the Pension Funding Rules has been applied for or obtained, and (iii) neither the Lead Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA.

5.13 Material Subsidiaries; Equity Interests. As of the Effective Date, the Loan Parties have no Material Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, which Schedule sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Material Subsidiary. All of the outstanding Equity Interests in the Loan Parties and the Material Subsidiaries have been validly issued, are fully paid and non-assessable and are owned in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except for Permitted Encumbrances arising by operation of Law. Except as set forth in Schedule 5.13, there are no outstanding rights to purchase any Equity Interests in any Material Subsidiary. As of the Effective Date, the Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. The copies of the Organization Documents of each Loan Party and each amendment thereto provided pursuant to Section 4.01 are true and correct copies of each such document as of the Effective Date, each of which is valid and in full force and effect as of the Effective Date.

5.14 Margin Regulations; Investment Company Act.

(a) No Loan Party is engaged or will be engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Loans shall be used directly or indirectly for any purpose that violates Regulations T, U, or X issued by the FRB.

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

5.15 Disclosure. Each Loan Party has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Material Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information

furnished (whether in writing or orally) by or on behalf of any Loan Party to the Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each of the Loan Parties is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Loan Parties own, or possess the right to use, all of the Intellectual Property, licenses, permits and other authorizations that are reasonably necessary for the operation of their respective businesses, to avoid conflict with the rights of any other Person. To the best knowledge of the Lead Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by any Loan Party infringes upon any rights held by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Lead Borrower, threatened in writing, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Labor Matters.

There are no strikes, lockouts, slowdowns or other material labor disputes against any Loan Party pending or, to the knowledge of any Loan Party, threatened in writing. The hours worked by and payments made to employees of the Loan Parties comply with the Fair Labor Standards Act and any other applicable federal, state, provincial, municipal, local or foreign Law dealing with such matters. No Loan Party has incurred any liability or obligation under the Worker Adjustment and Retraining Act or similar state, provincial or foreign Law. All payments due from any Loan Party, or for which any claim may be made against any Loan Party, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of such Loan Party. Except as set forth on Schedule 5.18, (a) no Loan Party is a party to or bound by any collective bargaining agreement or any similar agreement or arrangement (b) there are no representation proceedings pending or, to any Loan Party's knowledge, threatened in writing to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party has made a pending demand for recognition and (c) there are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party pending or, to the knowledge of any Loan Party, threatened in writing to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party is bound.

5.19 Security Documents.

(a) The Security Agreement creates in favor of the Agent, for the benefit of the Credit Parties, a legal, valid, continuing and enforceable Lien on the Collateral (as defined in the Security Agreement), the enforceability of which is subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law. The financing statements, releases and other filings are in appropriate form and have been or will be filed in the offices specified in Schedule II of the Security Agreement. Upon (i) the filing of UCC financing statements, naming the Agent as secured party, Loan Parties as debtors and such Collateral as collateral, in the offices of the Secretaries of States of the States in which the Loan Parties are incorporated or formed, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties in all such Collateral that may be perfected by the filing of a UCC financing statement, (ii) the obtaining of "control" (as defined in the UCC) of any such Collateral, the Agent will have a perfected Lien on, and security interest in, to and under all right, title and interest of the Loan Parties in all such Collateral that may be perfected by obtaining control, in each case prior and superior in right to any other Person (other than holders of Permitted Encumbrances having priority by operation of Law) other than the ABL Agent.

(b) When the Security Agreement (or a short form thereof) is filed in the United States Patent and Trademark Office and the United States Copyright Office, and when financing statements, releases and other filings in appropriate form are filed in the offices specified on Schedule II of the Security Agreement, the Agent shall have a fully perfected Lien on, and security interest in, all right, title and interest of the applicable Loan Parties in the Intellectual Property Collateral (as defined in the Security Agreement) in which a security interest may be perfected by filing, recording or registering a security agreement, financing statement or analogous document in the United States Patent and Trademark Office and the United States Copyright Office, in each case prior and superior in right to any other Person (it being understood that subsequent recordings in the United States Patent and Trademark Office and the United States Copyright Office may be necessary to perfect a Lien on registered trademarks, trademark applications and copyrights acquired by the applicable Loan Parties after the Effective Date) other than the ABL Agent.

5.20 Solvency

After giving effect to the transactions contemplated by this Agreement, and before and after giving effect to each Loan, the Loan Parties, on a Consolidated basis, are Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.

5.21 Deposit Accounts; Credit Card Arrangements.

(a) Annexed hereto as Schedule 5.21(a) is a list of all DDAs maintained by the Loan Parties as of the Effective Date, which Schedule includes, with respect to each DDA (i) the name and address of the depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository, and (iv) the identification of each Blocked Account Bank.

(b) Annexed hereto as Schedule 5.21(b) is a list describing all arrangements as of the Effective Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges and debit card charges for sales made by such Loan Party.

5.22 Brokers. No broker or finder brought about the obtaining, making or closing of the Loans or transactions contemplated by the Loan Documents, and no Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith, except to the extent disclosed to the Lenders in writing prior to the Effective Date.

5.23 Customer and Trade Relations. There exists no actual or, to the knowledge of any Loan Party, threatened in writing, termination or cancellation of, or any material adverse modification or change in the business relationship of any Loan Party with any supplier material to its operations.

5.24 Material Contracts. Schedule 5.24 sets forth all Material Contracts to which any Loan Party is a party or is bound as of the Effective Date. The Loan Parties are not in breach or in default in any material respect of or under any Material Contract.

5.25 Casualty. Neither the businesses nor the properties of any Loan Party or any of its Material Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.26 Sanctions Concerns and Anti-Corruption Laws.

(a) No Loan Party, nor any Subsidiary, nor, to the knowledge of the Loan Parties, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (i) currently the subject or target of any Sanctions, (ii) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by the Government of Canada or any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction.

(b) The Loan Parties and their Subsidiaries have conducted their business in compliance with the United States Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act (Canada), the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Laws and applicable Sanctions, and to the knowledge of each Borrower, the Loan Parties and their Subsidiaries are in compliance with such anti-corruption laws and applicable Sanctions in all material respects.

ARTICLE VI
AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), the Loan Parties shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Material Subsidiary to:

6.01 Financial Statements. Deliver to the Agent, in form and detail satisfactory to the Agent:

(a) upon the earlier of (x) delivery to the ABL Agent and (y) 120 days after the end of each Fiscal Year of the Lead Borrower, a Consolidated and consolidating balance sheet of Holdings and its Relevant Subsidiaries as at the end of such Fiscal Year, and the related consolidated and consolidating statements of income or operations, Shareholders' Equity and

cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by a report and unqualified opinion of a Registered Public Accounting Firm of nationally recognized standing reasonably acceptable to the Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of Holdings and its Relevant Subsidiaries;

(b) upon the earlier of (x) delivery to the ABL Agent and (y) 45 days after the end of each Fiscal Quarter of each Fiscal Year of the Lead Borrower, a Consolidated balance sheet of Holdings and its Relevant Subsidiaries as at the end of such Fiscal Quarter, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Lead Borrower's Fiscal Year then ended, in each case, in , setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Quarter of the previous Fiscal Year and (C) the corresponding portion of the previous Fiscal Year, all in reasonable detail, certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of Holdings and its Relevant Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes; provided, that to the extent a Form 10-Q has not been filed by Holdings with respect to an applicable Fiscal Quarter during which financial statements are required to be delivered within the time period referred to above, the Lead Borrower shall instead deliver to the Agent internally prepared, unreviewed drafts of the applicable financial statements and other deliverables for the applicable Fiscal Quarter within such 45 day period (which, together with the Compliance Certificate delivered concurrently with such financial statements pursuant to Section 6.02, shall be in a form to permit the Agent to determine compliance with the financial covenant set forth in Section 7.15 for the Fiscal Quarter then ended) (such initial financial statements, the "Draft Quarterly Financial Statements") and thereafter deliver to the Agent the final form and reviewed financial statements and other deliverables specified in this clause (b) (together with the Compliance Certificate required under Section 6.02) upon the earlier of (x) delivery to the ABL Agent and (y) 90 days after the end of such applicable Fiscal Quarter (such final financial statements, the "Final Quarterly Financial Statements");

(c) upon the earlier of (x) delivery to the ABL Agent and (y) 45 days after the end of each of the Fiscal Months of each fiscal year of the Lead Borrower, a consolidated balance sheet of Holdings and its Relevant Subsidiaries as at the end of such Fiscal Month, and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Month, and for the portion of the Lead Borrower's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Month of the previous Fiscal Year and (C) the corresponding portion of the previous fiscal year, all in reasonable detail, certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of Holdings and its Relevant Subsidiaries as of the end of such Fiscal Month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes;

(d) upon the earlier of (x) delivery to the ABL Agent and (y) 120 days after the end of each Fiscal Year of the Lead Borrower, forecasts prepared by management of the Lead Borrower, in form satisfactory to the Agent, of the Consolidated balance sheets and statements of income or operations and cash flows of Holdings and its Relevant Subsidiaries on a monthly basis for the immediately following Fiscal Year (including the fiscal year in which the Maturity Date occurs).

Notwithstanding the foregoing, the obligations in paragraph (a) and (b) above may be satisfied with respect to financial information of Holdings and its Relevant Subsidiaries by inclusion of such information in Holdings' Form 10-K or 10-Q or other filings, as applicable, filed with the SEC and furnishing such filings to Agent.

6.02 Certificates; Other Information. Deliver to the Agent, in form and detail satisfactory to the Agent:

(a) (i) concurrently with the delivery of the financial statements referred to inSections 6.01(a), (b) (provided, that to the extent the Lead Borrower is required to deliver both Draft Quarterly Financial Statements and Final Quarterly Financial Statements pursuant to the proviso set forth in Section 6.01(b), the Lead Borrower shall deliver a duly completed Compliance Certificate concurrently with both the Draft Quarterly Financial Statements and the Final Quarterly Financial Statements required to be delivered thereunder) and (c), a duly completed Compliance Certificate signed by a Responsible Officer of the Lead Borrower; and (ii) concurrently with the delivery of financial statements referred to in Section 6.01(a), a duly completed Consolidated Excess Cash Flow Certificate signed by a Responsible Officer of the Lead Borrower;

(b) within 30 days of delivery thereof to the ABL Agent, (i) a Borrowing Base Certificate certified as complete and correct by a Responsible Officer of the Lead Borrower and (ii) each material forecast, budget or report regarding the assets or financial performance of Holdings and its Subsidiaries;

(c) the financial and collateral reports described on Schedule 6.02 to the ABL Credit Agreement, concurrently with delivery to the ABL Agent;

(d) upon the Agent's request therefor, a report summarizing the then current insurance coverage (specifying type, amount and carrier) in effect for each Loan Party and its Material Subsidiaries;

(e) promptly, and in any event within five Business Days after receipt thereof by any Loan Party or any Material Subsidiary thereof, copies of each material notice or other material correspondence received from any Governmental Authority (including, without limitation, the SEC (or comparable agency in any other applicable non-U.S. jurisdiction) concerning any proceeding with, or investigation or possible investigation or other inquiry by such Governmental Authority regarding financial or other operational results of any Loan Party or any Material Subsidiary thereof or any other matter which, if adversely determined, could reasonably expected to have a Material Adverse Effect;

(f) copies of (A) each material notification received by any Loan Party pursuant to any ABL Loan Document or any document governing Material Indebtedness (including notices pertaining to a default (or the exercise of remedies in connection therewith) under the ABL Loan Documents or any document governing Material Indebtedness), promptly (and in any event

within fifteen (15) days) upon receipt thereof, and (B) final executed versions of any amendment, waiver, consent, supplement, forbearance, waiver or other modification with respect to any ABL Loan Document or any document governing Material Indebtedness, promptly (and in any event within fifteen (15) days) upon execution thereof;

(g) promptly, such additional information regarding the business affairs, financial condition or operations of any Loan Party or any Material Subsidiary, or compliance with the terms of the Loan Documents, as the Agent or any Lender may from time to time reasonably request;

(h) promptly, copies of any appraisals, commercial finance exams or other reports provided to, or conducted by, the ABL Agent.

Documents required to be delivered pursuant toSection 6.01(a), (b), or (c) or Section 6.02(d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Lead Borrower posts such documents, or provides a link thereto on the Lead Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Lead Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided that: (A) the Lead Borrower shall deliver paper copies of such documents to the Agent until a written request to cease delivering paper copies is given by the Agent and (B) the Lead Borrower shall notify the Agent (by telecopier or electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Agent shall not have any obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents. Documents required to be delivered pursuant to Section 6.02(b)(ii), (c), (g), or (h) shall only be required to be delivered to the extent that the Loan Parties are able upon the use of commercially reasonable efforts to obtain any consents of the ABL Agent or the ABL Loan Parties or such other third party consents as may be required in order for the Loan Parties to be able to deliver such documents as otherwise required pursuant to this Agreement.

The Loan Parties hereby acknowledge that (a) the Agent will make available to the Lenders materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties hereby agree that they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) 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; (x) by marking Borrower Materials "PUBLIC," the Loan Parties shall be deemed to have authorized the Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of United States or Canada federal, provincial and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the 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 Investor."

6.03 Notices. Promptly notify the Agent:

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

(b) following such Loan Party's obtaining knowledge of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect,

(c) of the occurrence of any ERISA Event;

(d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Material Subsidiary thereof;

(e) of any change in any Loan Party's senior executive officers;

(f) of the discharge by any Loan Party of its present Registered Public Accounting Firm or any withdrawal or resignation by such Registered Public Accounting Firm;

(g) following such Loan Party's obtaining knowledge of the filing of any Lien for unpaid Taxes in excess of $2,000,000 against any Loan Party or the receipt by any Loan Party of a notice to pay or garnishment for unpaid Taxes;

(h) of any Prepayment Event; and

(i) of any failure by any Loan Party to pay rent beyond any applicable cure or grace period provided in the applicable lease at (i) any of the Loan Parties' distribution centers or warehouses; (ii) twenty (20%) or more of such Loan Party's Store locations or (iii) any of such Loan Party's locations if such failure would be reasonably likely to result in a Material Adverse Effect.

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

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, (b) all lawful claims (including, without limitation, claims of landlords, warehousemen, customs brokers, freight forwarders, consolidators, and carriers) which, if unpaid, would by Law become a Lien upon its property other than a Permitted Encumbrance; and (c) all Material Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except, in each case, where (i) the validity or amount thereof is being contested in good faith by appropriate proceedings, (ii) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (iii) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation, (iv) no Lien has been filed with respect thereto and (v) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.04 or 7.05 and except for the dissolution, liquidation, winding up or cessation of existence of any Subsidiary that is not a Material Subsidiary; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable

in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its Intellectual Property, except to the extent such Intellectual Property is no longer used or useful in the conduct of the business of the Loan Parties.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07 Maintenance of Insurance.

(a) Maintain with financially sound and reputable insurance companies reasonably acceptable to the Agent and not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by Law, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and as are reasonably acceptable to the Agent.

(b) Maintain for themselves and their Material Subsidiaries, a Directors and Officers insurance policy, and a "Blanket Crime" policy including employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, property, and computer fraud coverage with responsible companies in such amounts as are customarily carried by business entities engaged in similar businesses similarly situated, and will upon request by the Agent furnish the Agent certificates evidencing renewal of each such policy.

(c) Cause fire and extended coverage policies maintained with respect to any Collateral to be endorsed or otherwise amended to include (i) a non-contributing mortgage clause (regarding improvements to Real Estate) and lenders' loss payable clause (regarding personal property), in form and substance satisfactory to the Agent, which endorsements or amendments shall provide that, unless otherwise directed by the Agent, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent, (ii) a provision to the effect that none of the Loan Parties, Credit Parties or any other Person shall be a co-insurer and (iii) such other provisions as the Agent may reasonably require from time to time to protect the interests of the Credit Parties.

(d) Cause commercial general liability policies to be endorsed to name the Agent as an additional insured.

(e) Cause business interruption policies to name the Agent as a lender loss payee and to be endorsed or amended to include (i) a provision that, from and after the Effective Date, unless otherwise directed by the Agent, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Agent, (ii) a provision to the effect that none of the Loan Parties, the Agent, or any other party shall be a co-insurer and (iii) such other provisions as the Agent may reasonably require from time to time to protect the interests of the Credit Parties.

(f) Cause each such policy referred to in this Section 6.07 to also provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium except upon not less than ten (10) days' prior written notice thereof by the insurer to the Agent (giving the Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Agent.

(g) Deliver to the Agent, prior to the cancellation, modification or non-renewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Agent, including an insurance binder) together with evidence satisfactory to the Agent of payment of the premium therefor.

(h) Permit any representatives that are designated by the Agent to inspect the insurance policies maintained by or on behalf of the Loan Parties and, subject to Section 6.10(a), to inspect books and records related thereto and any properties covered thereby.

None of the Credit Parties, or their agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Section 6.07. Each Loan Party shall look solely to its insurance companies or any other parties other than the Credit Parties for the recovery of such loss or damage and such insurance companies shall have no rights of subrogation against any Credit Party or its agents or employees. If, however, the insurance policies do not provide waiver of subrogation rights against such parties, as required above, then the Loan Parties hereby agree, to the extent permitted by law, to waive their right of recovery, if any, against the Credit Parties and their agents and employees. The designation of any form, type or amount of insurance coverage by any Credit Party under this Section 6.07 shall in no event be deemed a representation, warranty or advice by such Credit Party that such insurance is adequate for the purposes of the business of the Loan Parties or the protection of their properties.

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been set aside and maintained by the Loan Parties in accordance with GAAP; (b) such contest effectively suspends enforcement of the contested Laws, and (c) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records; Accountants.

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Material Subsidiary, as the case may be; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties or such Material Subsidiary, as the case may be.

(b) At all times retain a Registered Public Accounting Firm which is reasonably satisfactory to the Agent.

6.10 Inspection Rights.

(a) Permit representatives and independent contractors of the Agent (at the direction of the Required Lenders) to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its officers, and Registered Public Accounting Firm, all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Lead Borrower; provided, however, that when a Default or an Event of Default exists the Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice. The Loan Parties shall pay

the fees and expenses of the Agent and such representatives and independent contractors with respect to (i) while no Event of Default shall have occurred and be continuing, one such inspection or examination during any twelve month period; provided, that absent an Event of Default, the Loan Parties shall have no obligation to pay such fees and expenses for any such inspection or examination that occurs prior to the date that is eighteen (18) months following the Effective Date; and (ii) all such commercial inspections or examinations, if required by Law or if an Event of Default shall have occurred and be continuing.

(b) Upon the request of the Agent (at the direction of the Required Lenders) after reasonable prior notice, permit the Agent or professionals (including investment bankers, consultants, accountants, and lawyers) retained by the Agent to conduct commercial finance examinations and other evaluations, including, without limitation, of the Loan Parties' business plan, forecasts and cash flows. The Loan Parties shall pay the fees and expenses of the Agent and such professionals with respect to (i) while no Event of Default shall have occurred and be continuing, one commercial finance examination during any twelve month period; provided, that absent an Event of Default, the Loan Parties shall have no obligation to pay such fees and expenses for any commercial finance examination (x) that occurs prior to the date that is eighteen (18) months following the Effective Date or (y) to the extent the Loan Parties deliver to the Agent results from any commercial finance examination conducted by the ABL Agent during such period; and (ii) all such commercial finance examinations, if required by Law or if an Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, the Agent may, at the direction of the Required Lenders cause additional commercial finance examinations to be undertaken as it in its discretion deems necessary or appropriate, at its own expense.

(c) Upon the request of the Agent (at the direction of the Required Lenders) after reasonable prior notice, permit the Agent or professionals (including appraisers) retained by the Agent to conduct appraisals of the Collateral. The Loan Parties shall pay the fees and expenses of the Agent and such professionals with respect to (i) while no Event of Default shall have occurred and be continuing, one such appraisal during any twelve month period; provided, that absent an Event of Default, the Loan Parties shall have no obligation to pay such fees and expenses for any such appraisal (x) that occurs prior to the date that is eighteen (18) months following the Effective Date or (y) to the extent the Loan Parties deliver to the Agent results from any such appraisal conducted by the ABL Agent during such period; and (ii) all such appraisals, if required by Law or if an Event of Default shall have occurred and be continuing. Notwithstanding the foregoing, the Agent may, at the direction of the Required Lenders cause additional appraisals to be undertaken from and after eighteen (18) months following the Effective Date as it in its discretion deems necessary or appropriate, at its own expense.

6.11 Additional Loan Parties. Notify the Agent at the time that any Person becomes a Material Subsidiary, and promptly thereafter (and in any event within fifteen (15) days): (a) cause such Material Subsidiary, if it is not a CFC, (i) to become, at the Agent's option, a Borrower or Guarantor by executing and delivering to the Agent a Joinder to the Loan Documents, or such other documents as the Agent shall deem appropriate for such purpose, (ii) to grant a Lien to the Agent on such Material Subsidiary's assets of the same type that constitute Collateral to secure the Obligations, and (iii) deliver to the Agent documents of the types referred to in Sections 4.01(a)(iii) and (iv) and favorable opinions of counsel to such Material Subsidiary (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (i)), and (b) if any Equity Interests or Indebtedness of such Material Subsidiary are owned by or owing to any Loan Party, to the extent that such Equity Interests or Indebtedness are not already Collateral, to pledge such Equity Interests and promissory notes evidencing such Indebtedness (except that, if such Material Subsidiary is a CFC, the Equity Interests of such Material Subsidiary to be pledged by any Loan Party shall be limited to 65% of the outstanding voting Equity Interests of such Material Subsidiary and 100% of the non-voting Equity Interests of such Material Subsidiary, in each case in form, content and scope reasonably satisfactory to the Agent. In no event shall compliance with this Section 6.11 waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with thisSection 6.11 if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute, with respect to any Material Subsidiary, an approval of such Person as a Borrower.

6.12 Cash Management.

(a) ACH or wire transfer no less frequently than daily to a Blocked Account all amounts on deposit in each DDA (net of any minimum balance, not to exceed $2,500.00, as may be required to be kept in the subject DDA by the depository institution at which such DDA is maintained) and all payments due from credit card processors.

(b) After the occurrence and during the continuance of a Cash Dominion Event, cause the ACH or wire transfer by the Loan Parties to a concentration account in respect of which a Blocked Account Agreement has been executed (the "U.S. Concentration Account"), no less frequently than daily, all cash receipts and collections received by each applicable Loan Party from all sources.

(c) The U.S. Concentration Account shall at all times be under the sole dominion and control of the ABL Agent or the Agent, and the Agent shall have "control" (as defined in and within the meaning of the UCC) over the U.S. Concentration Account at all times. The Loan Parties hereby acknowledge and agree that (i) the Loan Parties have no right of withdrawal from the U.S. Concentration Account, (ii) the funds on deposit in the U.S. Concentration Account shall at all times be collateral security for all of the Obligations and (iii) the funds on deposit in the U.S. Concentration Account shall be applied to the Obligations as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 6.12, any Loan Party receives or otherwise has dominion and control of any such cash receipts or collections, such receipts and collections shall be held in trust by such Loan Party for the Agent and shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the U.S. Concentration Account, or dealt with in such other fashion as such Loan Party may be instructed by the Agent.

(d) Upon the request of the Agent, cause bank statements and/or other reports to be delivered to the Agent not less often than monthly, accurately setting forth all amounts deposited in each Blocked Account to ensure the proper transfer of funds as set forth above.

6.13 Information Regarding the Collateral.

(a) Furnish to the Agent (x) at least fifteen (15) days prior written notice of any change in: (i) any Loan Party's name; (ii) the location of any Loan Party's registered or chief executive office or its principal place of business; (iii) any Loan Party's organizational structure or jurisdiction of incorporation or formation; or (iv) any Loan Party's Federal Taxpayer Identification Number or organizational identification number assigned to it by its state or other jurisdiction of organization and (y) not later than thirty (30) days after any change in the location of any office of any Loan Party office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), notice thereof. The Loan Parties shall not effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral for its own benefit and the benefit of the other applicable Credit Parties with the priority required by the Security Documents.

(b) Should any of the information on any of the Schedules hereto become inaccurate or misleading in any material respect as a result of changes after the Effective Date, advise the Agent in writing of such revisions or updates as may be necessary or appropriate to update or correct the same. From time to time as may be reasonably requested by the Agent, the Lead Borrower shall supplement each Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter arising after the Effective Date that, if existing or occurring on the Effective Date, would have been required to be set forth or described in such Schedule or as an exception to such representation or that is necessary to correct any information in such Schedule or representation which has been rendered inaccurate thereby (and, in the case of any supplements to any Schedule, such Schedule shall be appropriately marked to show the changes made therein). Notwithstanding the foregoing, no supplement or revision to any Schedule or representation shall be deemed the Credit Parties' consent to the matters reflected in such updated Schedules or revised representations; nor shall any such supplement or revision to any Schedule or representation be deemed the Credit Parties' waiver of any Default or Event of Default resulting from the matters disclosed therein.

6.14 Physical Inventories.

(a) Cause not less than one physical inventory to be undertaken, at the expense of the Loan Parties, in each twelve month period consistent with past practices, conducted by such inventory takers as are satisfactory to the Agent and following such methodology as is consistent with the methodology used in the immediately preceding inventory or as otherwise may be satisfactory to the Agent. The Agent, at the expense of the Loan Parties, may participate in and/or observe each scheduled physical count of Inventory which is undertaken on behalf of any Loan Party. The Borrowers shall provide the Agent with the preliminary Inventory levels at each of the Borrowers' Stores within ten (10) days following the completion of such physical inventory. The Lead Borrower, within 60 days following the completion of such inventory, shall provide the Agent with a reconciliation of the results of such inventory (as well as of any other physical inventory or cycle counts undertaken by a Loan Party) and shall post such results to the Loan Parties' stock ledgers and general ledgers, as applicable.

(b) Permit the Agent, in its discretion, if any Default or Event of Default exists, to cause additional such inventories to be taken as the Agent determines (each, at the expense of the Loan Parties).

6.15 Environmental Laws.

(a) Conduct its operations and keep and maintain its Real Estate in material compliance with all Environmental Laws; (b) obtain and renew all environmental permits necessary for its operations and properties; and (c) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to maintain the value and marketability of the Real Estate or to otherwise comply with Environmental Laws pertaining to the presence, generation, treatment, storage, use, disposal, transportation or release of any Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, provided, however, that neither a Loan Party nor any of its Material Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and adequate reserves have been set aside and are being maintained by the Loan Parties with respect to such circumstances in accordance with GAAP.

6.16 Further Assurances.

(a) Execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements and other documents), that may be required under any Law, or which the Agent may reasonably request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. The Loan Parties also agree to provide to the Agent, from time to time upon request, evidence satisfactory to the Agent as to the perfection of the Liens created or intended to be created by the Security Documents.

(b) If any material assets are acquired by any Loan Party after the Effective Date (other than assets constituting Collateral under the Security Documents that become subject to the Lien under the Security Documents upon acquisition thereof), notify the Agent thereof, and the Loan Parties will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or shall be requested by the Agent to grant and perfect such Liens, including actions described in Section 6.16(a), all at the expense of the Loan Parties. In no event shall compliance with this Section 6.16(b) waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.16(b) if such transaction was not otherwise expressly permitted by this Agreement or any other Loan Document.

(c) Upon the request of the Agent, cooperate with the Agent to cause each of its customs brokers, freight forwarders, consolidators and/or carriers to deliver an agreement (including, without limitation, a Customs Broker/Carrier Agreement) to the Agent covering such matters and in such form as the Agent may reasonably require.

6.17 Compliance with Terms of Leaseholds.

Except as otherwise expressly permitted hereunder, (a) make all payments and otherwise perform all obligations in respect of all Leases to which any Loan Party or any of its Material Subsidiaries is a party, keep such Leases in full force and effect (b) not allow such Leases to lapse or be terminated or any rights to renew such Leases to be forfeited or cancelled except in the ordinary course of business, consistent with past practices, (c) notify the Agent of any default by any party with respect to such Leases and cooperate with the Agent in all respects to cure any such default, and (d) cause each of its Material Subsidiaries to do the foregoing, except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

6.18 Material Contracts. (a) Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, (b) maintain each such Material Contract in full force and effect except to the extent such Material Contract is no longer used or useful in the conduct of the business of the Loan Parties in the ordinary course of business, consistent with past practices, (c) enforce each such Material Contract in accordance with its terms, and, (d) upon request of the Agent, make such demands and requests for information and reports or for action from any other party to each such Material Contract as any Loan Party or any of its Material Subsidiaries is entitled to make under such Material Contract, and (e) cause each of its Material Subsidiaries to do the foregoing, except, in any case, where the failure to do so, either individually or in the aggregate, could not be reasonably likely to have a Material Adverse Effect.

6.19 Lender Meetings

As requested by the Agent or Required Lenders following the delivery of the annual financial statements of Holdings and its Subsidiaries for Fiscal Year 2017 or for any subsequent Fiscal Year, the Lead Borrower will conduct a meeting (which may be held by means of a conference call or teleconference with a duration of not more than two hours for Fiscal Year 2017 and thereafter shall be in person unless a call or teleconference is otherwise agreed to by the Required Lenders and may be of a

duration of up to four hours) of Agent and the Lenders to discuss the most recently reported annual financial results and the financial condition of the Loan Parties and their Subsidiaries, at which there shall be present a Responsible Officer and such other officers of the Loan Parties as may be reasonably requested to attend by the Agent or Required Lenders, such request or requests to be made at a reasonable time prior to the scheduled date of such meeting. Notwithstanding the foregoing, after the occurrence and during the continuation of an Event of Default, the Agent or Required Lenders may request more frequent lender meetings to discuss financial results and financial condition of the Loan Parties and their Subsidiaries, at which there shall be present a Responsible Officer and such other officers of the Loan Parties as may be reasonably requested to attend by the Agent or Required Lenders, such request or requests to be made at a reasonable time prior to the scheduled date of such meeting. Such meetings shall be held at a time and place convenient to the Lenders and to Borrowers, or by conference call or teleconference.

6.20 Post-Closing Matters.

The Loan Parties shall comply with the requirements set forth in Schedule 6.20.

ARTICLE VII
NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder or any Loan or other Obligation hereunder shall remain unpaid or unsatisfied (other than contingent indemnification claims for which a claim has not been asserted), no Loan Party shall, nor shall it permit any Material Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired or sign or file under the UCC or any similar Law or statute of any jurisdiction a financing statement that names any Loan Party or any Material Subsidiary thereof as debtor; sign or suffer to exist any security agreement authorizing any Person thereunder to file such financing statement; sell any of its property or assets subject to an understanding or agreement (contingent or otherwise) to repurchase such property or assets with recourse to it or any of its Material Subsidiaries; or assign or otherwise transfer any accounts or other rights to receive income, other than, as to all of the above, Permitted Encumbrances.

7.02 Investments. Make any Investments, except Permitted Investments.

7.03 Indebtedness; Disqualified Stock; Equity Issuances

(a) Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness;

(b) issue Disqualified Stock; or

(c) issue and sell any other Equity Interests other than those issued by (A) any Material Subsidiary of the Lead Borrower to the Lead Borrower or any other Material Subsidiary of the Lead Borrower, to the extent not prohibited by Section 7.02 from being acquired by the applicable acquirer, or (B) the Lead Borrower, if such Equity Interests are in the form of common stock or other securities that do not require the making of any Restricted Payment on such Equity Interests, whether in the form of mandatory distributions, dividends or payments upon mandatory redemption other than redemption at the option of the Lead Borrower (unless such Restricted Payments are to be made solely in additional shares of Equity Interests, in lieu of cash), or (C) by the Lead Borrower to any officer, director, employee or consultant of the Lead Borrower or any of its Material Subsidiaries pursuant to employment agreements, stock options, stock incentive or stock ownership plans.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate or amalgamate with or into another Person, (or agree to do any of the foregoing), except that, so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect to any action described below or would result therefrom:

(a) any Subsidiary which is not a Loan Party may merge or amalgamate with (i) a Loan Party,provided that the Loan Party shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries which are not Loan Parties, provided that when any wholly-owned Subsidiary is merging or amalgamating with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person;

(b) any Subsidiary which is a Loan Party may merge or amalgamate into any Subsidiary which is a Loan Party or into a Borrower,provided that in any merger or amalgamation involving a Borrower, a Borrower shall be the continuing or surviving Person;

(c) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge or amalgamate with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided that (i) the Person surviving such merger or amalgamation shall be a wholly-owned Subsidiary of a Loan Party and such Person shall become a Loan Party in accordance with the provisions of Section 6.11 hereof, and (ii) in the case of any such merger or amalgamation to which any Loan Party is a party, such Loan Party is the surviving Person; and

(d) any CFC that is not a Loan Party may merge into any CFC that is not a Loan Party.

7.05 Dispositions. Make any Disposition except Permitted Dispositions.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that each of the following shall be permitted so long as no Default or Event of Default shall have occurred and be continuing prior, or immediately after giving effect, to the following, or would result therefrom:

(a) each Subsidiary of a Loan Party may make Restricted Payments to any Loan Party;

(b) the Loan Parties and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person;

(c) the Lead Borrower may make Restricted Payments on account of employee stock repurchase programs or other similar programs in an amount not to exceed $30,000,000 in any Fiscal Year; and

(d) the Lead Borrower may make Restricted Payments to Holdings in an amount necessary to pay the contractual rate of interest on the Senior Notes;

(e) the Lead Borrower may make Restricted Payments to Holdings in an amount equal to the amount contributed by Holdings to the Lead Borrower consisting of the proceeds of the Senior Notes; provided that, until such Restricted Payment is made, such contribution by Holdings to the Lead Borrower shall remain in a segregated account, and the proceeds thereof shall not be used for any other purpose;

(f) the Loan Parties may make Restricted Payments from cash on hand and not with proceeds of the ABL Revolving Loans so long as (i) for the 120 days before any such Restricted Payment, no ABL Revolving Loans have been outstanding, (ii) for each of the 120 days preceding such Restricted Payment, the Loan Parties shall have had cash on hand sufficient to make such Restricted Payment without the necessity of obtaining proceeds of ABL Revolving Loans for the operations of their business or for the purpose of making such Restricted Payment, (iii) after giving effect to such Restricted Payment, no ABL Revolving Loans are outstanding, (iv) no Default or Event of Default then exists or would arise as a result of the making of such Restricted Payment, and (v) such Loan Party shall deliver a certificate signed by a Responsible Officer of the Lead Borrower to the Agent demonstrating in reasonable detail that both before and after giving pro forma effect to such Restricted Payment, the Senior Secured Leverage Ratio for Holdings and its Relevant Subsidiaries does not exceed 3.00:1.00 on a pro forma basis; and

(g) if the RP Conditions are satisfied, the Loan Parties may make other Restricted Payments.

7.07 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness, or make any payment in violation of any subordination terms of any Subordinated Indebtedness, or make any payment of Indebtedness owed to Holdings except (a) as long as no Default or Event of Default then exists, regularly scheduled or mandatory repayments, repurchases, redemptions or defeasances of (i) Permitted Indebtedness (other than Subordinated Indebtedness and Indebtedness owed to Holdings), (ii) Subordinated Indebtedness in accordance with the subordination terms thereof, and (iii) Permitted Indebtedness owed to Holdings if, after giving effect thereto, the Payment Conditions are satisfied, (b) voluntary prepayments, repurchases, redemptions or defeasances of (i) Permitted Indebtedness (but excluding on account of any Subordinated Indebtedness) as long as the Payment Conditions are satisfied, and (ii) Subordinated Indebtedness in accordance with the subordination terms thereof and as long as the Payment Conditions are satisfied, (c) Permitted Refinancings of any such Indebtedness and (d) voluntary prepayments of the outstanding amount of the Term Loan (as defined in the ABL Credit Agreement) in whole or in part as long as the RP Conditions are satisfied.

7.08 Change in Nature of Business

Except (i) for the retail sale of wine and related or ancillary products, (ii) for food, beverage and hospitality businesses and other lines of business reasonably complimentary to those conducted by the Loan Parties on the Effective Date or (iii) as otherwise approved in writing by the Lead Borrower's board of directors, engage in any line of business substantially different from the business conducted by the Loan Parties and their Subsidiaries on the Effective Date or any business reasonably related or incidental thereto.

7.09 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Loan Parties or such Subsidiary as would be obtainable by the Loan Parties or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to

(a) a transaction between or among the Loan Parties, (b) advances for commissions, travel and other similar purposes in the ordinary course of business to directors, officers and employees, (c) the issuance of Equity Interests in the Lead Borrower to any officer, director, employee or consultant of the Lead Borrower or any of its Subsidiaries, (d) the payment of reasonable fees and out-of-pocket costs to directors, and compensation and employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of the Lead Borrower or any of its Subsidiaries, (e) any issuances of securities (other than any such issuances not permitted hereunder) or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment agreements, stock options and stock ownership plans (in each case in respect of Equity Interests in the Lead Borrower), and (f) any transaction permitted under (i) any of clauses (b) through (e) or clause (h) of the definition of "Permitted Disposition", (ii) clauses (n) or (q) of the definition of "Permitted Encumbrances", (iii) clauses (b), (d), (g), (h), (j), (k) or (n) of the definition of "Permitted Indebtedness", (iv) clauses (g), (i), (l), (m) or (n) of the definition of "Permitted Investments", or (v) any of Sections 7.03(c), 7.04, 7.06 or 7.07 hereof.

7.10 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Material Subsidiary to make Restricted Payments or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, (ii) of any Material Subsidiary to Guarantee the Obligations, (iii) of any Material Subsidiary to make or repay loans to a Loan Party, or (iv) of the Loan Parties or any Material Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of the Agent; provided, however, that this clause (iv) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under clauses (c) or (d) of the definition of Permitted Indebtedness solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.11 Use of Proceeds. Use the proceeds of the Term Loan or any Incremental Term Loan, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) for any purpose that would violate Regulations T, U or X of the FRB, or (b) for any purposes other than (i) the repurchase of Equity Interests of Holdings, (ii) for general corporate purposes, including with limitation paying dividends to Holdings, in each case to the extent expressly permitted under Law and the Loan Documents, and (iii) for the payment of fees, costs and expenses in connection with the foregoing.

7.12 Amendment of Material Documents.

Amend, modify or waive any of a Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Credit Parties or (b) any Material Contract or Material Indebtedness (other than on account of any Permitted Refinancing thereof), in each case to the extent that such amendment, modification or waiver would result in a Default or Event of Default under any of the Loan Documents, would be materially adverse to the Credit Parties, or otherwise would be reasonably likely to have a Material Adverse Effect, or (c) any ABL Loan Document, to the extent expressly prohibited by the ABL Intercreditor Agreement.

7.13 Fiscal Year.

Change the Fiscal Year of any Loan Party, or the accounting policies or reporting practices of the Loan Parties, except as required by GAAP.

7.14 Deposit Accounts; Credit Card Processors.

Open new DDAs unless the Loan Parties shall have delivered to the Agent appropriate Blocked Account Agreements. No Loan Party shall maintain any bank accounts or enter into any agreements with credit card processors other than the ones expressly contemplated herein or in Section 6.12 hereof.

7.15 Senior Secured Leverage Ratio.

Permit the Senior Secured Leverage Ratio as of the last day of any Fiscal Quarter, commencing with the Fiscal Quarter ending September 30, 2017, to exceed 5.00 to 1.00.

7.16 Acquisition of ABL Indebtedness.

Permit Holdings or any Subsidiary of Holdings, any Loan Party or any Subsidiary of any Loan Party, or any Affiliate of any of the foregoing Persons, to acquire any ABL Indebtedness, in each case except to the extent that such ABL Indebtedness is immediately cancelled and discharged.

7.17 Sanctions.

Directly or indirectly, use any Loan or the proceeds of any Loan, or lend, contribute or otherwise make available such Loan or the proceeds of any Loan to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject or target of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Agent or otherwise) of Sanctions.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

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

(b) Specific Covenants. Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of (i)Section 6.01 and such failure continues for three (3) days, (ii) Section 6.02 and such failure continues for three (3) days, or (iii) Sections 6.03, 6.10, 6.11, 6.20 or Article VII; provided, that with respect to Section 7.15, to the extent the Lead Borrower is required to deliver both Draft Quarterly Financial Statements and Final Quarterly Financial Statements pursuant to the proviso set forth in Section 6.01(b), (x) if the Draft Quarterly Financial Statements and Compliance Certificate delivered therewith do not reflect a breach ofSection 7.15, but the subsequently delivered Final Quarterly Financial Statements do in fact reflect a breach of Section 7.15, then an Event of Default shall have occurred as of the applicable Fiscal Quarter then ended and (y) if the Draft Quarterly Financial Statements and Compliance Certificate delivered therewith reflect a breach of Section 7.15, but the subsequently delivered Final Quarterly Financial Statements in fact confirm the Loan Parties are in compliance with Section 7.15, then the Event of Default that resulted in connection with the delivery of the Draft Quarterly Financial Statements shall no longer exist and remain continuing;

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in Section 8.01(a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for thirty (30) days following the earlier of notice to a Responsible Officer by the Agent thereof or actual knowledge of a Responsible Officer thereof; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Loan Party herein, in any other Loan Document, shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness (including the ABL Indebtedness), or (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness (including the ABL Indebtedness) or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, and as a result thereof the holder or holders of such Material Indebtedness or the beneficiary or beneficiaries of any Guarantee thereof (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) cause, with the giving of notice if required, such Indebtedness in an aggregate amount in excess of $17,500,000 or any ABL Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness in an aggregate amount in excess of $17,500,000 or any ABL Indebtedness to be made, prior to its stated maturity or such Guarantee in an aggregate amount in excess of $17,500,000 or Guarantee with respect to the ABL Indebtedness either to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract, or any analogous event however defined) resulting from any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the defaulting party and, in such event, the Swap Termination Value owed by the Loan Party or such Subsidiary as a result thereof is greater than $17,500,000; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any Material Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or a proceeding shall be commenced or a petition filed, without the application or consent of such Person, seeking or requesting the appointment of any receiver, interim receiver, trustee, monitor, custodian, conservator, liquidator, rehabilitator or similar officer is appointed and the appointment continues undischarged, undismissed or unstayed for 45 calendar days or an order or decree approving or ordering any of the foregoing shall be entered; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 45 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Material Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 10 days after its issuance or levy; or

(h) Judgments. There is entered against any Loan Party or any Material Subsidiary thereof (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $17,500,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC which would reasonably be likely to result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan which failure would reasonably likely result in a Material Adverse Effect; or

(j) Invalidity of Loan Documents. (i) Any provision of any Loan Document, at any time after its execution and delivery and for any reason, ceases to be in full force and effect other than as expressly permitted under the Loan Documents; or any Loan Party or any other Affiliate thereof contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document or seeks to avoid, limit or otherwise adversely affect any Lien purported to be created under any Security Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any other Person not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Security Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) Cessation of Business. Except as otherwise expressly permitted hereunder, the Loan Parties, taken as a whole, shall take any action to suspend the operation of their business in the ordinary course, liquidate all or a material portion of their assets or Store locations, or employ an agent or other third party to conduct a program of closings, liquidations or "Going-Out-Of-Business" sales of any material portion of their business; or

(m) Loss of Collateral. There occurs any uninsured loss to any material portion of the Collateral; or

(n) Breach of Contractual Obligation. Any Loan Party or any Subsidiary thereof fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) beyond the grace period and following all applicable notices in respect of any Material Contract or fails to observe or perform any other agreement or condition relating to any such Material Contract or contained in any instrument or agreement evidencing, securing or relating thereto, the effect of which default is in either case (i) to cause the termination of such Material Contract and (ii) either the amount owed pursuant to such Material Contract is greater than $17,500,000 or the termination of such Material Contract would reasonably be expected to have a Materially Adverse Effect; or

(o) Indictment. (i) Any Loan Party is (A) criminally indicted or convicted of a felony for fraud or dishonesty in connection with the Loan Parties' business, or (B) charged by a Governmental Authority under any law that would reasonably be expected to lead to forfeiture of any material portion of Collateral, or (ii) any director or senior officer of any Loan Party is (A) criminally indicted or convicted of a felony or indictable offense for fraud or dishonesty in connection with the Loan Parties' business, unless such director or senior officer promptly resigns or is removed or replaced or (B) charged by a Governmental Authority under any law that would reasonably be expected to lead to forfeiture of any material portion of Collateral; or

(p) Subordination. (i) The subordination provisions of the documents evidencing or governing any Subordinated Indebtedness in an amount in excess of $17,500,000 (the "Subordinated Provisions") shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Indebtedness; or (ii) any Borrower or any other Loan Party shall, directly or indirectly, disavow or contest in any manner (A) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) that the Subordination Provisions exist for the benefit of the Credit Parties, or (C) that all payments of principal of or premium and interest on the applicable Subordinated Indebtedness, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions.

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

(a) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other Obligations (including the Applicable Premium) to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties; and

(b) whether or not the maturity of the Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Credit Parties under this Agreement, any of the other Loan Documents or Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Credit Parties;

provided, however, that upon the occurrence of any Default or Event of Default with respect to any Loan Party or any Material Subsidiary thereof under Section 8.01(f), the unpaid principal amount of all outstanding Loans and all accrued interest and other Obligations (including the Applicable Premium) shall automatically become due and payable, without further act of the Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of Law.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable as set forth in the proviso to Section 8.02), any amounts received from the Loan Parties or from the Collateral on account of the Obligations shall be applied by the Agent in the following order:

(a) First, to payment of that portion of the Obligations constituting fees, indemnities, Credit Party Expenses and other amounts (including fees, charges and disbursements of counsel to the Agent and amounts payable under Article III) payable to the Agent;

(b) Second, to payment of that portion of the Obligations constituting indemnities, Credit Party Expenses, and other amounts (other than principal, interest and fees) payable to the Lenders (including amounts payable under Article III), ratably among them in proportion to the amounts described in this clauseSecond payable to them;

(c) Third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Term Loan, ratably among the Lenders in proportion to the respective amounts described in this clause Third payable to them;

(d) Fourth, to payment of that portion of the Obligations constituting unpaid principal of the Term Loan, ratably among the Lenders in proportion to the respective amounts described in this clause Fourth held by them;

(e) Fifth, to payment of all other Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations as provided in Section 10.04(b), ratably among the Credit Parties in proportion to the respective amounts described in this clauseFifth held by them; and

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

ARTICLE IX
THE AGENT

9.01 Appointment and Authority.

(a) Each of the Lenders (in its capacity as a Lender) hereby irrevocably appoints Wilmington Trust, National Association to act on its behalf as the administrative agent and collateral agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof (including, without limitation, acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations), together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of this Article are solely for the benefit of the Agent and the Lenders, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions.

(c) The Lenders and each other Credit Party hereby authorizes the Agent to enter into the ABL Intercreditor Agreement on behalf of the Credit Parties and to comply with the terms thereof.

(d) It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the 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.

9.02 Rights as a Lender. If the Person serving as the Agent hereunder is also a Lender, then such Person shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though they were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

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

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties or any of its Affiliates or branches that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates or branches in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the Consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Agent by the Loan Parties or a Lender. In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to each of the other applicable Credit Parties. Upon the occurrence of a Default or an Event of Default, the Agent shall take such action with respect to such Default or Event of Default as shall be reasonably authorized and directed by the Applicable Lenders. Unless and until the Agent shall have received such direction, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as it shall deem advisable in the best interest of the Credit Parties. In no event shall the Agent be required to comply with any such directions to the extent that the Agent believes that its compliance with such directions would be unlawful.

The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the creation, perfection or priority of any Lien purported to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) 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 the Agent.

9.04 Reliance by Agent.

The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including, but not limited to, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received written notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for any Credit Party or any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as the Agent may request. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

9.06 Resignation or Removal of Agent.

(a) The Agent may at any time give written notice of its resignation to the Lenders and the Lead Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Lead Borrower, to appoint a successor, which shall be (i) a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States, (ii) a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, or (iii) such other Person that may be reasonably acceptable to the Required Lenders and the Lead Borrower. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Lead Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring

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 the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Lead Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent hereunder.

(b) The Required Lenders may at any time remove the Agent by providing at least thirty (30) days' written notice thereof to the Agent and the Lead Borrower. Following such notice, the Required Lenders shall have the right, in consultation with the Lead Borrower, to appoint a successor, which shall be (i) a bank with an office in the United States, or an Affiliate of any such bank with an office in the United States, (ii) a Lender, an Affiliate of a Lender or an Approved Fund with respect to a Lender, or (iii) such other Person that may be reasonably acceptable to the Required Lenders and the Lead Borrower. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrowers to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Lead Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring Agent, itssub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent hereunder.

9.07 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except as provided in Section 9.12, the Agent shall not have any duty or responsibility to provide any Credit Party with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agent.

9.08 Reserved.

9.09 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, the 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 the Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Agent, and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the Agent, such Credit Parties and their respective agents and counsel and all other amounts due the Lenders, the Agent, and such Credit Parties under Sections 2.03(i), 2.03(j) and 2.03(k) as applicable, 2.09 and 10.04) allowed in such judicial proceeding; and

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

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, if the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.09 and 10.04.

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

9.10 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agent, at its option and in its discretion,

(a) to release any Lien on any property granted to or held by the Agent under any Loan Document (i) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted), (ii) that is Disposed of or to be Disposed of as part of or in connection with any Permitted Disposition, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01;

(b) to subordinate any Lien on any property granted to or held by the Agent under any Loan Document to the holder of any Lien on such property that is permitted by clause (h) of the definition of Permitted Encumbrances;

(c) to subordinate any Lien on Collateral to the holder of any Lien expressly permitted by the definition of Permitted Encumbrances to have priority over the Agent's Lien on Collateral securing the Obligation to secure Indebtedness permitted pursuant to the definition of Permitted Indebtedness; and

(d) to release any Guarantor from its obligations under the Facility Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by the Agent at any time, the Applicable Lenders will confirm in writing the Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Facility Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Agent will, at the Loan Parties' expense, execute and deliver to the

applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the Liens of the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Facility Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

(b) The Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

9.11 Notice of Transfer.

The Agent may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Obligations for all purposes, unless and until, and except to the extent, an Assignment and Acceptance shall have become effective as set forth in Section 10.06.

9.12 Reports and Financial Statements.

By signing this Agreement, each Lender:

(a) [reserved];

(b) is deemed to have requested that the Agent furnish, and the Agent agrees to furnish, such Lender, promptly after they become available, copies of all Borrowing Base Certificates and financial statements required to be delivered by the Lead Borrower hereunder and all commercial finance examinations and appraisals of the Collateral received by the Agent (collectively, the "Reports");

(c) expressly agrees and acknowledges that the Agent makes no representation or warranty as to the accuracy of the Reports, and shall not be liable for any information contained in any Report;

(d) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that any party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(e) agrees to keep all Reports confidential in accordance with the provisions ofSection 10.07 hereof; and

(f) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agent and any Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any Loan that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (ii) to pay and protect, and indemnify, defend, and hold the Agent and any Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Agent and any Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.13 Agency for Perfection.

Each Lender hereby appoints each other Lender as agent for the purpose of perfecting Liens for the benefit of the Agent and the Lenders, in assets which, in accordance with Article 9 of the UCC, or with any other Law of the United States can be perfected only by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify the Agent thereof, and, promptly upon the Agent's request therefor shall deliver such Collateral to the Agent or otherwise deal with such Collateral in accordance with the Agent's instructions.

9.14 Indemnification of Agent. Without limiting the obligations of Loan Parties hereunder, the Lenders shall indemnify and hold harmless the Agent and any Related Party, as the case may be ratably according to their Applicable Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Agent and its Related Parties in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by the Agent and its Related Parties in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's and its Related Parties' gross negligence or willful misconduct as determined by a final and nonappealable judgment of a court of competent jurisdiction.

9.15 Relation among Lenders. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or authorized to act for, any other Lender.

ARTICLE X
MISCELLANEOUS

10.01 Amendments, Etc.

(a) No amendment or waiver of any provision of this Agreement or any other Loan Document, and no Consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Agent, with the Consent of the Required Lenders, and the Lead Borrower or the applicable Loan Party, as the case may be, and each such waiver or Consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(i) increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written Consent of such Lender;

(ii) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including the Maturity Date) of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written Consent of such Lender, or (ii) any scheduled or mandatory reduction or termination of any Commitments hereunder or under any other Loan Document, without the written Consent of such Lender;

(iii) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan held by such Lender, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document to or for the account of such Lender, without the written Consent of such Lender; provided, however, that only the Consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest at the Default Rate;

(iv) as to any Lender, change Section 2.13 or Section 8.03 in a manner that would alter the order of payments therein or the pro rata sharing of payments required thereby without the written Consent of such Lender;

(v) change any provision of this Section or the definition of "Required Lenders" or any other provision hereof or of any Loan Document specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or under any other Loan Document or make any determination or grant any consent hereunder or thereunder, without the written Consent of each Lender;

(vi) except as expressly permitted hereunder or under any other Loan Document, release, or limit the liability of, any Loan Party without the written Consent of each Lender;

(vii) except for Permitted Dispositions or as provided in Section 9.10, release all or substantially all of the Collateral from the Liens of the Security Documents without the written Consent of each Lender;

(viii) [reserved];

(ix) [reserved]; and

(x) except as expressly permitted herein or in any other Loan Document, subordinate the Obligations hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Indebtedness or Lien, as the case may be without the written Consent of each Lender;

and, provided further, that (i) [reserved]; (ii) [reserved]; (iii) no amendment, waiver or Consent shall, unless in writing and signed by the Agent in addition to the Lenders required above, affect the rights or duties of the Agent under this Agreement or any other Loan Document; and (iv) the Agent Fee Letter and the Lender Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto.

(b) Notwithstanding anything to the contrary in this Agreement or any other Loan Document, any Loan Document may be amended and waived with the consent of the Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local Law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause any Loan Document to be consistent with this Agreement and the other Loan Documents.

(c) If any Lender does not Consent (a "Non-Consenting Lender") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the Consent of each Lender and that has been approved by the Required Lenders, the Lead Borrower may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Lead Borrower to be made pursuant to this paragraph).

10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in Section 10.02(b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Loan Parties or the Agent to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in Section 10.02(b) below, shall be effective as provided in such Section 10.02(b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Agentprovided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Lead 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.

Unless the 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), provided that if such notice or other 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, 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.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY ANY AGENT PARTY IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agent or any of their Related Parties (collectively, the "Agent Parties") have any liability to any Loan

Party, any Lender or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Loan Parties and the Agent may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Lead Borrower and the Agent. In addition, each Lender agrees to notify the Agent from time to time to ensure that the Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Agent and Lenders. The Agent and the Lenders shall be entitled to rely and act upon any notices (including telephonic notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agent, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All telephonic notices to and other telephonic communications with the Agent may be recorded by the Agent and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Credit Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether any Credit Party may have had notice or knowledge of such Default or Event of Default at the time.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay all Credit Party Expenses.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Agent (and any sub-agent of the Agent), each other Credit Party, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless (on an after tax basis) from, any and all losses, claims, causes of action, damages, liabilities, settlement payments, 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 Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or the administration of this Agreement and the other Loan Documents, (ii) any Loan or the use or proposed use of the

proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by any Credit Party to, a Blocked Account Bank or other Person which has entered into a control agreement with any Credit Party hereunder, or (v) 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 Borrower or any other Loan Party or any of the Loan Parties' directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by a Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(d) Payments. All amounts due under this Section shall be payable on demand therefor.

(e) Survival. The agreements in this Section shall survive the resignation of the Agent, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of all Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by such Credit Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agent upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agent plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written Consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of Section 10.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 10.06(d) and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in Section 10.06(b)(i)(A), the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than $5,000,000 unless the Agent and, so long as no Default or Event of Default has occurred and is continuing, the Lead Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by Section 10.06(b)(i)(B) and, in addition:

(A) the consent of the Lead Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default or Event of Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund with respect to such Lender; and

(B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Term Loan if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500, provided, however, that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Agent pursuant to Section 10.06(c), from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the applicable Borrowers (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.06(b) shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.06(d).

(c) Register. The Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive, absent manifest error, and the Loan Parties, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Lead Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Loan Parties or the Agent, sell participations to any Person (other than a natural person or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agent, the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.07 as if such Participant was a Lender hereunder.

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to Section 10.06(e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b) (it being understood that the documentation required under Sections 3.01(e) and (f) shall be delivered to the participating Lender)); provided that such Participant (A) agrees to be subject to the provisions of Sections 3.06 and 10.13 as if it were an assignee. To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Lead Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Lead Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Loan Parties, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any 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.

10.07 Treatment of Certain Information; Confidentiality. Each of the Credit Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to the extent disclosure is required by the financing transactions contemplated by this Agreement, to its Affiliates, Approved Funds, and to its and its Affiliates' and Approved Funds' respective partners, directors, officers, employees, agents, funding sources, attorneys, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential in accordance with the terms of this Section 10.07 and the disclosing Credit Party shall be responsible for any breach of the obligations of this Section 10.07 by any of such Persons to whom disclosure is made), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority), (c) to the extent required by Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 10.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Swap Contract relating to any Loan Party and its obligations, (g) with the consent of the Lead Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Credit Party or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties; provided that in the event of any disclosure required pursuant to clause (b) or (c) of this Section 10.07, the Credit Party required to make such disclosure, the Credit Party shall use commercially reasonable efforts to (i) provide prompt written notice of such disclosure to the Lead Borrower, and (ii) cooperate with the Lead Borrower to obtain a protective order or other confidential treatment if so desired by the Lead Borrower.

For purposes of this Section, "Information" means all information received from Holdings, the Loan Parties or any Subsidiary thereof relating to Holdings, the Loan Parties or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Credit Party on a non-confidential basis prior to disclosure by Holdings, the Loan Parties or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary after the Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Credit Parties acknowledges that (a) the Information may include material non-public information concerning Holdings, the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with Law, including Federal, state and local securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Agent or the Required Lenders, to the fullest extent permitted by Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) or other property at any time held and other obligations (in whatever currency) at any time owing by such Lender or any such Affiliate to or for the credit or the account of the Borrowers or any other Loan Party against any and all of the Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Loan

Party may be contingent or unmatured or are owed to a branch or office of such Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or their respective Affiliates may have. Each Lender agrees to notify the Lead Borrower and the Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by Law (the "Maximum Rate"). If the Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, pdf or other electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default or Event of Default at the time of any Loan, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied. Further, the provisions of Sections 3.01, 3.04, 3.05 and 10.04 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof. In connection with the termination of this Agreement and the release and termination of the Lien on the Collateral, the Agent may require such indemnities and collateral security as they shall reasonably deem necessary or appropriate to protect the Credit Parties against (x) loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked, (y) [reserved], and (z) any Obligations that may thereafter arise under Section 10.04 hereof.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender is a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrowers shall have paid to the Agent the assignment fee specified in Section 10.06(b);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with Laws.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrowers to require such assignment and delegation cease to apply.

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN AND OF THE UNITED STATES DISTRICT COURT OF THE STATE OF NEW YORK SITTING THEREIN, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE LOAN PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. EACH OF THE LOAN PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE LOAN PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(e) ACTIONS COMMENCED BY LOAN PARTIES. EACH LOAN PARTY AGREES THAT ANY ACTION COMMENCED BY ANY LOAN PARTY ASSERTING ANY CLAIM OR COUNTERCLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT SOLELY IN A COURT OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN OR ANY FEDERAL COURT SITTING THEREIN AS THE AGENT MAY ELECT IN ITS SOLE DISCRETION AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS WITH RESPECT TO ANY SUCH ACTION.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility provided for hereunder and any related arranging or other services in connection therewith (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their

respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties with respect to any of the transactions contemplated hereby or the process leading thereto, including with respect to any amendment, waiver or other modification hereof or of any other Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Credit Parties have not provided and will not provide any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby (including any amendment, waiver or other modification hereof or of any other Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.17 USA PATRIOT Act Notice. Each Lender that is subject to the Patriot Act and the Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Agent, as applicable, to identify each Loan Party in accordance with the Patriot Act. Each Loan Party is in compliance, in all material respects, with the Patriot Act. No part of the proceeds of the Loans will be used by the Loan Parties, 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.

10.18 Foreign Asset Control Regulations. Neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Patriot Act. Furthermore, none of the Borrowers or their Affiliates (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order.

10.19 Reserved.

10.20 Time of the Essence. Time is of the essence of the Loan Documents.

10.21 Press Releases.

(a) Each Credit Party executing this Agreement agrees that neither it nor its Affiliates will in the future issue any press releases or other public disclosure using the name of the Agent, any Lender or their respective Affiliates or referring to this Agreement or the other Loan Documents without at least two (2) Business Days' prior notice to the Agent or such Lender and without the prior written consent of the Agent or such Lender unless (and only to the extent that) such Credit Party or Affiliate is required to do so under Law and then, in any event, such Credit Party or Affiliate will consult with the Agent or such Lender before issuing such press release or other public disclosure.

(b) Each Loan Party consents to the publication by the Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. The Agent or such Lender shall provide a draft reasonably in advance of any advertising material to the Lead Borrower for review and comment prior to the publication thereof. The Agent and each Lender reserves the right to provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.22 Judgment Currency.

If, for purposes of obtaining judgment in any court, it is necessary to convert a sum from the currency provided under a Loan Document ("Agreement Currency") into another currency, the Spot Rate shall be used as the rate of exchange. Notwithstanding any judgment in a currency ("Judgment Currency") other than the Agreement Currency, a Loan Party shall discharge its obligation in respect of any sum due under a Loan Document only if, on the Business Day following receipt by the Agent of payment in the Judgment Currency, the Agent can use the amount paid to purchase the sum originally due in the Agreement Currency. If the purchased amount is less than the sum originally due, such Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent and the other Credit Parties against such loss. If the purchased amount is greater than the sum originally due, the Agent shall return the excess amount to such Loan Party (or to the Person legally entitled thereto).

10.23 Additional Waivers.

(a) To the fullest extent permitted by Law, the obligations of each Loan Party shall not be affected by (i) the failure of any Credit Party to assert any claim or demand or to enforce or exercise any right or remedy against any other Loan Party under the provisions of this Agreement, any other Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, this Agreement or any other Loan Document, or (iii) the failure to perfect any Lien on, or the release of, any of the Collateral or other security held by or on behalf of the Agent or any other Credit Party.

(b) The obligations of each Loan Party shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Obligations after the termination of the Commitments), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Loan Party hereunder shall not be discharged or impaired or otherwise affected by the failure of the Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, any default, failure or delay, willful or otherwise, in the performance of any of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Loan Party or that would otherwise operate as a discharge of any Loan Party as a matter of Law or equity (other than the indefeasible payment in full in cash of all the Obligations after the termination of the Commitments).

(c) To the fullest extent permitted by Law, each Loan Party waives any defense based on or arising out of any defense of any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. The Agent and the other Credit Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with any other Loan Party, or exercise any other right or remedy available to them against any other Loan Party, without affecting or impairing in any way the liability of any Loan Party hereunder except to the extent that all the Obligations have been indefeasibly paid in full in cash and the Commitments have been terminated. Each Loan Party waives any defense arising out of any such election even though such election operates, pursuant to Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Loan Party against any other Loan Party, as the case may be, or any security.

(d) The Obligations are the joint and several obligation of each Loan Party. Upon payment by any Loan Party of any Obligations, all rights of such Loan Party against any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. In addition, any indebtedness of any Loan Party now or hereafter held by any other Loan Party is hereby subordinated in right of payment to the prior indefeasible payment in full of the Obligations and no Loan Party will demand, sue for or otherwise attempt to collect any such indebtedness. If any amount shall erroneously be paid to any Loan Party on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of any Loan Party, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents. Subject to the foregoing, to the extent that any Borrower shall, under this Agreement as a joint and several obligor, repay any of the Obligations constituting Loans made to another Borrower hereunder or other Obligations incurred directly and primarily by any other Borrower (an "Accommodation Payment"), then the Borrower making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Borrowers in an amount, for each of such other Borrowers, equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Borrower's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the Borrowers. As of any date of determination, the "Allocable Amount" of each Borrower shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such Borrower hereunder without (a) rendering such Borrower "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code, (b) leaving such Borrower with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, or (c) leaving such Borrower unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code.

10.24 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.25 Attachments.

The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

10.26 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender that is an EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date first above written.

BORROWER:

RESTORATION HARDWARE, INC.,
as Lead Borrower

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

GUARANTORS:

RH US, LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

WATERWORKS OPERATING CO., LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Treasurer and Secretary

WATERWORKS IP CO., LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Treasurer and Secretary

RH YOUNTVILLE, INC., as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: President and Treasurer

RHM, LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

AGENT:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Agent

By: /s/ Jennifer Anderson
Name: Jennifer Anderson
Title: Assistant Vice President

[Signature Page to Credit Agreement]

LENDERS:

APOLLO LINCOLN FIXED INCOME FUND, L.P.,
as a Lender

By: Apollo Lincoln Fixed Income Management, LLC, its Investment Manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO CREDIT OPPORTUNITY FUND III AIV I LP,
as a Lender

By: Apollo Credit Opportunity Management III LLC, its Investment Manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO CENTRE STREET PARTNERSHIP, L.P.,
as a Lender

By: Apollo Centre Street Management, LLC, its Investment Manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO TACTICAL VALUE SPN INVESTMENTS, L.P.,
as a Lender

By: Apollo Tactical Value SPN l Management, LLC, its Investment Manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO MOULTRIE CREDIT FUND, L.P.,
as a Lender

By: Apollo Moultrie Credit Fund Management, LLC, its Investment Manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

ATCF S.A R.L.
as a Lender

By: ATCF HoldCo S.a.r.l., its sole shareholder

By: Apollo Tower Credit Management, LLC, its investment manager

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

Exhibit 10.2

EXECUTION

INTERCREDITOR AGREEMENT

by and among

BANK OF AMERICA, N. A.,

as First Lien Agent,

and

WILMINGTON TRUST, N.A.,

as Second Lien Agent,

dated as of July 7, 2017

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INTERCREDITOR AGREEMENT

THIS **INTERCREDITOR AGREEMENT** (as amended, supplemented, restated or otherwise modified from time to time pursuant to the terms hereof, this "**Agreement**") is entered into as of July 7, 2017, between:

(a) **BANK OF AMERICA, N.A.,** in its capacity as administrative agent and collateral agent (together with its successors and assigns in such capacity, the "**First Lien Agent**") for (i) the financial institutions party from time to time to the First Lien Credit Agreement referred to below (such financial institutions, together with their respective successors, assigns and transferees, the "**First Lien Lenders**") and (ii) any First Lien Bank Products Affiliates and First Lien Cash Management Affiliates (each as defined below) (such First Lien Bank Products Affiliates and First Lien Cash Management Affiliates, together with the First Lien Agent and the First Lien Lenders, the "**First Lien Secured Parties**");

(b) **WILMINGTON TRUST, N.A.,** in its capacity as administrative agent and collateral agent (together with its successors and assigns in such capacity, the "**Second Lien Agent**") for the financial institutions party from time to time to the Second Lien Credit Agreement referred to below (such financial institutions, together with their respective successors, assigns and transferees, the "**Second Lien Lenders**" and together with the Second Lien Agent and the Second Lenders, the "**Second Lien Secured Parties**"); and acknowledged by

(c) **RESTORATION HARDWARE, INC.,** a Delaware corporation, as a Domestic Borrower and the Lead Borrower (as those terms are defined in the First Lien Credit Agreement), the Other Domestic Borrowers (as defined in the First Lien Credit Agreement), **RESTORATION HARDWARE CANADA, INC.**, a British Columbia company, as the Canadian Borrower (as defined in the First Lien Credit Agreement, and collectively with the Lead Borrower and the Other Domestic Borrowers, the "**Borrower**"), and the Guarantors (as defined in the First Lien Credit Agreement).

RECITALS

A. Pursuant to that certain Eleventh Amended and Restated Credit Agreement dated as of June 28, 2017, by and among the Borrower, the Guarantors (as hereinafter defined), the First Lien Lenders and the First Lien Agent (as such agreement may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, the "**First Lien Credit Agreement**"), the First Lien Lenders have agreed to make certain loans to or for the benefit of the Borrower.

B. Pursuant to the Amended and Restated Guaranty dated as of January 30, 2015 (as the same may be amended, supplemented, restated and/or otherwise modified in accordance with the terms hereof, the "**First Lien Guaranty**") by certain subsidiaries of the Borrower (the "**Guarantors**") in favor of the First Lien Secured Parties, the Guarantors have agreed to guarantee the payment and performance of the Borrower's obligations under the First Lien Loan Documents (as hereinafter defined) as provided in the First Lien Guaranty.

C. Pursuant to that certain Guaranty dated as of August 3, 2011 (as the same may be amended, supplemented, restated and/or otherwise modified in accordance with the terms hereof, the "**Canadian Guaranty**") by the Borrower in favor of the First Lien Secured Parties, the Borrower has agreed to guarantee the payment and performance of the Canadian Borrower's obligations under the First Lien Loan Documents (as hereinafter defined) as provided in the Canadian Guaranty.

C. As a condition to the effectiveness of the First Lien Credit Agreement and to secure the obligations of the Borrower and the Guarantors (the Borrower, the Guarantors and each other direct or indirect subsidiary of the Borrower that is now or hereafter becomes a party to any First Lien Loan Document, collectively, the "**First Lien Loan Parties**") under and in connection with the First Lien Loan Documents, the First Lien Loan Parties have granted to the First Lien Agent (for the benefit of the First Lien Secured Parties) Liens on the Collateral (as hereinafter defined).

D. Pursuant to that certain Second Lien Term Loan Agreement dated as of the date hereof, by and among the Borrower, the Guarantors, the Second Lien Lenders and the Second Lien Agent (as such agreement may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof, the "**Second Lien Loan Agreement**"), the Second Lien Lenders have agreed to make certain loans to the Borrower.

E. Pursuant to the Guaranty (as the same may be amended, supplemented, restated and/or otherwise modified in accordance with the terms hereof, the "**Second Lien Guaranty**") by the Guarantors in favor of the Second Lien Secured Parties, the Guarantors have agreed to guarantee the payment and performance of the Borrower's obligations under the Second Lien Loan Documents (as hereinafter defined) as provided in the Second Lien Guaranty.

F. As a condition to the effectiveness of the Second Lien Credit Agreement and to secure the obligations of the Borrower and the Guarantors (the Borrower, the Guarantors and each other direct or indirect subsidiary of the Borrower that is now or hereafter becomes a party to any Second Lien Loan Document, collectively, the "**Second Lien Loan Parties**") under and in connection with the Second Lien Loan Documents, the Second Lien Loan Parties have granted to the Second Lien Agent (for the benefit of the Second Lien Secured Parties) Liens on the Collateral.

G. Each of the First Lien Agent (on behalf of the First Lien Secured Parties) and the Second Lien Agent (on behalf of the Second Lien Secured Parties) and, by their acknowledgment hereof, the First Lien Loan Parties and the Second Lien Loan Parties, desire to agree to the relative priority of Liens on the Collateral and certain other rights, priorities and interests as provided herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1.
DEFINITIONS

Section 1.1. UCC Definitions. The following terms which are defined in the Uniform Commercial Code are used herein as so defined: Accounts, Chattel Paper, Commercial Tort Claims, Deposit Accounts, Documents, Electronic Chattel Paper, Equipment, Financial Assets, Fixtures, General Intangibles, Goods, Instruments, Inventory, Investment Property, Letter-of-Credit Rights, Payment Intangibles, Proceeds, Promissory Notes, Records, Securities Accounts, Security, Security Entitlements, Supporting Obligations and Tangible Chattel Paper.

Section 1.2. Other Definitions. Subject to Section 1.1, as used in this Agreement, the following terms shall have the meanings set forth below:

"**Affiliate**" shall mean, any Person which, directly or indirectly, controls, is controlled by or is under common control with any Person.

"**Agent(s)**" means individually the First Lien Agent or the Second Lien Agent and collectively means both the First Lien Agent and the Second Lien Agent.

"**Agreement**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Bank Products**" shall have the meaning assigned to that term in the First Lien Credit Agreement as in effect on the date hereof.

"**Bank Product Obligations**" shall mean all obligations with respect to Bank Product Agreements.

"**Bank Product Agreement**" shall mean any agreement pursuant to which a First Lien Bank Product Affiliate agrees to provide Bank Products to a Loan Party.

"**Bankruptcy Code**" shall mean Title 11 of the United States Code, as now or hereafter in effect or any successor thereto.

"**Borrower**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Business Day**" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in Boston, Massachusetts or New York, New York are authorized or required by law to remain closed (or are in fact closed).

"**Cash Management Services**" shall have the meaning assigned to that term in the First Lien Credit Agreement as in effect on the date hereof.

"**Cash Management Services Agreement**" shall mean any agreement pursuant to which any First Lien Cash Management Affiliate agrees to provide Cash Management Services.

"**Collateral**" shall mean all Property now owned or hereafter acquired by the Borrower or any Guarantor in or upon which a Lien is granted to the First Lien Agent or the Second Lien Agent under any of the First Lien Security Documents or the Second Lien Security Documents, together with all rents, issues, profits, products and Proceeds thereof, other than the Excluded Term Loan Collateral, which shall neither constitute Collateral for any purposes of this Agreement, nor otherwise be subject to the term, conditions or provisions of this Agreement.

"**Control Collateral**" shall mean any Collateral consisting of any Certificated Security (as defined in Section 8-102 of the Uniform Commercial Code), Investment Property, Deposit Account, Instruments and any other Collateral as to which a Lien may be perfected through possession or control by the secured party, or any agent therefor.

"**Debtor Relief Laws**" shall mean the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

"**DIP Financing**" shall have the meaning set forth in Section 6.1(a).

"**Discharge of First Lien Obligations**" shall mean (a) the payment in full in cash of all outstanding First Lien Obligations (other than (i) contingent indemnity obligations with respect to then unasserted claims (ii) any First Lien Obligations relating to Bank Products (including Swap Contracts) that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any First Lien Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid); and (b) the termination of all commitments to make Loans or issue Letters of Credit under the First Lien Credit Agreement. If, at any time prior to or simultaneously with the occurrence of the Discharge of First Lien Obligations, the Loan Parties enter into (x) any refinancing of the First Lien Obligations, which refinancing is permitted under the terms of this Agreement or (y) DIP Financing provided by one or more of the First Lien Lenders and the First Lien Agent to one or more Loan Parties and such DIP Financing is entered into in accordance with Section 6.1, then, in each case, the Discharge of First Lien Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Discharge of Second Lien Obligations**" shall mean (a) the payment in full in cash of all outstanding Second Lien Obligations (other than (i) contingent indemnity obligations with respect to then unasserted claims, (ii) any Second Lien Obligations relating to Bank Products (including Swap Contracts) that, at such time, are allowed by the applicable Bank Product provider to remain outstanding without being required to be repaid or cash collateralized, and (iii) any Second Lien Obligations relating to Cash Management Services that, at such time, are allowed by the applicable provider of such Cash Management Services to remain outstanding without being required to be repaid); and (b) the termination of all commitments to make Loans or otherwise extend credit under the Second Lien Loan Documents. If, at any time prior to or simultaneously with the occurrence of the Discharge of Second Lien Obligations, the Loan Parties enter into (x) any refinancing of the Second Lien Obligations, which refinancing is permitted under the terms of this Agreement, or (y) DIP Financing provided by one or more of the Second Lien Lenders and/or the Second Lien Agent to one or more Loan Parties and such DIP Financing is entered into in accordance with Section 6.1, then the Discharge of Second Lien Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Disposition**" shall mean the sale, transfer, license, sublicense, lease or other disposition of any property by any Person, whether in one transaction or in a series of transactions.

"**Due Diligence**" shall have the meaning given such term in Section 3.3(c).

"**Excess First Lien Obligations**" shall mean First Lien Obligations constituting the aggregate outstanding principal amount of loans and outstanding amount of letters of credit made, issued or incurred pursuant to the First Lien Loan Documents in excess of the Maximum First Lien Facility Amount and any interest, fees (including early termination fee, make-whole payment or prepayment fee) or reimbursement obligations accrued on or with respect to such excess amounts.

"**Excess Second Lien Obligations**" shall mean Second Lien Obligations constituting the aggregate outstanding principal amount of loans made pursuant to the Second Lien Loan Documents in excess of the Maximum Second Lien Facility Amount and any interest, fees or reimbursement obligations accrued on or with respect to such excess amounts.

"**Excluded Term Loan Collateral**" shall mean any leasehold interest of any Second Lien Loan Party, to the extent that such leasehold constitutes Collateral under the Second Lien Loan Documents.

"**Exercise of Any Secured Creditor Remedies**" or "**Exercise of Secured Creditor Remedies**" shall mean, except as otherwise provided in the final sentence of this definition:

(a) the taking by any Secured Party of any action to enforce or realize upon any Lien in the Collateral, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other applicable law;

(b) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien in the Collateral under any of the Loan Documents, under applicable law, in an Insolvency Proceeding or otherwise, including, without limitation, the exercise by a Secured Party of any voting rights relating to any equity interests included in the Collateral;

(c) the appointment on the application of a Secured Party, of a receiver, receiver and manager, or interim receiver of all or part of the Collateral; and

(d) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other applicable law in respect of the Collateral.

For the avoidance of doubt, none of the following shall be deemed to constitute an Exercise of Secured Creditor Remedies: (i) acceleration by the relevant Secured Parties of the maturity of the First Lien Obligations or the Second Lien Obligations, as the case may be, (ii) the filing of a proof of claim in any Insolvency Proceeding or seeking adequate protection, (iii) the exercise of rights by the First Lien Agent upon the occurrence of a Cash Dominion Event (as defined in the First Lien Credit Agreement as in effect on the date hereof) including the notification of

licensees or other account debtors, depository institutions or any other Person to deliver Proceeds of Collateral to the First Lien Agent, or (iv) the consent by the First Lien Agent to a disposition by any Loan Party of any of the Collateral, other than in connection with clauses (a), (b) or (d) above.

"**First Lien Agent**" shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successor thereto as well as any Person designated as the "Agent" under any First Lien Credit Agreement.

"**First Lien Bank Products Affiliate**" shall mean the First Lien Agent, any First Lien Lender or any Affiliate of any First Lien Lender or First Lien Agent that has entered into an agreement relating to Bank Products with a First Lien Loan Party with the obligations of such First Lien Loan Party thereunder being secured by one or more First Lien Security Documents, together with their respective successors, assigns and transferees.

"**First Lien Cash Management Affiliate**" shall mean any First Lien Agent, First Lien Lender or any Affiliate of an First Lien Lender or First Lien Agent that provides Cash Management Services to any of the First Lien Loan Parties with the obligations of such First Lien Loan Parties thereunder being secured by one or more First Lien Security Documents, together with their respective successors, assigns and transferees.

"**First Lien Credit Agreement**" shall have the meaning assigned to such term in the recitals to this Agreement and shall include any other agreement extending the maturity of, consolidating, restructuring, refunding, replacing or refinancing all or any portion of the First Lien Obligations in accordance with the terms hereof (including any credit agreement in connection with a DIP Financing provided by any of the First Lien Secured Parties pursuant to Section 6.1(a) hereof), whether by the same or any other agent, lender or group of lenders; provided that any such amendment, modification or refinancing shall be in accordance with the terms and conditions of this Agreement.

"**First Lien Event of Default**" shall mean an "Event of Default" as defined in the First Lien Credit Agreement.

"**First Lien Guaranty**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any further guaranty made by any Guarantor guaranteeing the payment and performance of the First Lien Obligations.

"**First Lien Lenders**" shall have the meaning assigned to that term in the introduction to this Agreement, as well as any Person designated as a "Lender" under any First Lien Credit Agreement.

"**First Lien Loan Documents**" shall mean the First Lien Credit Agreement, the First Lien Guaranty, the Canadian Guaranty, the First Lien Security Documents, the Issuer Documents, all agreements relating to Bank Products between any First Lien Loan Party and any First Lien Bank Products Affiliate, all Cash Management Services Agreements between any First Lien Loan Party and any First Lien Cash Management Affiliate, those other ancillary agreements as to which any First Lien Secured Party is a party or a beneficiary and all other related agreements, instruments, documents and certificates, now or hereafter executed by or on behalf

of any First Lien Loan Party or any of its respective subsidiaries or Affiliates, and delivered to the First Lien Agent or any other First Lien Secured Party, in connection with any of the foregoing or any First Lien Credit Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

"**First Lien Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**First Lien Obligations**" shall mean all obligations (including all "Obligations" under and as defined in the First Lien Credit Agreement) of every nature of each First Lien Loan Party from time to time owed to the First Lien Secured Parties, or any of them, under any First Lien Loan Document (including any obligations in connection with a DIP Financing provided by any of the First Lien Secured Parties pursuant to Section 6.1(a) hereof), whether for principal, interest, reimbursement of amounts drawn under letters of credit, payments for early termination of Bank Products, Cash Management Services, fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of the First Lien Loan Documents, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time. For clarity, First Lien Obligations include interest, fees, expenses, indemnities and all other amounts owing or due under the terms of the First Lien Credit Agreement or any other First Lien Loan Documents regardless of whether such claim is allowed or allowable in any Insolvency Proceeding.

"**First Lien Recovery**" shall have the meaning set forth in Section 5.3(a).

"**First Lien Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**First Lien Security Documents**" shall mean all "Security Documents" as defined in the First Lien Credit Agreement, and all other security agreements, mortgages, deeds of trust and other security documents executed and delivered in connection with the First Lien Loan Documents, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Governmental Authority**" shall mean any foreign, federal, state, regional, local, municipal or other government, or any department, commission, board, bureau, agency, public authority or instrumentality thereof, or any court or arbitrator.

"**Guarantor**" shall have the meaning assigned to such term in the recitals to this Agreement.

"**Insolvency Proceeding**" shall mean (a) any case, action or proceeding before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, administration, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors; in each case covered by clauses (a) and (b) undertaken under any Debtor Relief Laws.

"**Lender(s)**" means individually, the First Lien Lenders or the Second Lien Lenders and collectively means all of the First Lien Lenders and the Second Lien Lenders.

"**Lien**" shall mean, with respect to any asset, any mortgage, deed of trust, security interest, charge, pledge, hypothecation, assignment, attachment, deposit arrangement, encumbrance, lien (statutory, judgment or otherwise, but excluding any right of set off arising by operation of law or pursuant to agreements entered into in the ordinary course of business), or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale) or other title retention agreement, any capitalized lease, any synthetic lease, any financing lease involving substantially the same economic effect as any of the foregoing and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction in respect of the foregoing.

"**Lien Priority**" shall mean with respect to any Lien of the First Lien Secured Parties or the Second Lien Secured Parties in the Collateral, the order of priority of such Lien as specified in Section 2.1.

"**Loan Documents**" shall mean the First Lien Loan Documents and the Second Lien Loan Documents.

"**Loan Parties**" shall mean the First Lien Loan Parties and the Second Lien Loan Parties.

"**Maximum First Lien Facility Amount**" shall mean, on any date of determination thereof, a principal amount equal to (a) $680,000,000,plus (b) First Lien Obligations under Bank Product Agreements and Cash Management Services Agreements, plus (c) an amount not to exceed $68,000,000 from time to time that may be borrowed or incurred as loans prior to any Insolvency Proceeding with respect to the Lead Borrower, plus (d) after the occurrence of an Insolvency Proceeding, up to an additional 10% of the aggregate Commitments of the First Lien Secured Parties outstanding under the First Lien Credit Agreement immediately prior to the commencement of such Insolvency Proceeding, extended pursuant to DIP Financing permitted under Section 6.1(a) hereof, minus (e) the amount of any permanent repayment of the First Lien Obligations made after the date hereof or any commitment reduction of the First Lien Obligations after the date hereof.

"**Maximum Second Lien Facility Amount**" shall mean, on any date of determination thereof, a principal amount equal to (a) $110,000,000,plus (b) the greater of (x) the aggregate principal amount of Indebtedness that may be incurred under Section 2.15 of the Second Lien Credit Agreement, and (y) an additional $100,000,000 in aggregate principal amount of second lien indebtedness as may be incurred pursuant to clause (s) of the definition of Permitted Indebtedness pursuant to the First Lien Credit Agreement, plus (c) any additional principal amount extended pursuant to DIP Financing permitted under Sections 6.1(b) or 6.1(e) hereof.

"**Party**" shall mean the First Lien Agent or the Second Lien Agent, and "**Parties**" shall mean both the First Lien Agent and the Second Lien Agent.

"**Payment of Maximum First Lien Facility Amount**" shall mean (a) the payment in full in cash of all First Lien Obligations not to exceed the Maximum First Lien Facility Amount and (b) the termination of all commitments to make Loans of issue Letters of Credit under the First

Lien Credit Agreement. If, at any time prior to or simultaneously with the occurrence of the Payment of Maximum First Lien Facility Amount, the Loan Parties enter into any refinancing of the First Lien Obligations, which refinancing is permitted under the terms of this Agreement, then, in each case, Payment of Maximum First Lien Facility Amount shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Payment of Maximum Second Lien Facility Amount**" shall mean the payment in full in cash of all Second Lien Obligations not to exceed to the Maximum Second Lien Facility Amount. If, at any time prior to or simultaneously with the occurrence of the Payment of Maximum Second Lien Facility Amount, the Loan Parties enter into any refinancing of the Second Lien Obligations, which refinancing is permitted under the terms of this Agreement, then, in each case, Payment of Maximum Second Lien Facility Amount shall automatically be deemed not to have occurred for all purposes of this Agreement.

"**Person**" shall mean an individual, corporation, limited liability company, partnership, limited liability partnership, trust, other unincorporated association, business, or other legal entity, and any Governmental Authority.

"**Property**" shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"**Purchase Notice**" shall have the meaning set forth in Section 7.1.

"**Remedy Standstill Period**" shall mean the period commencing on the date of the First Lien Agent's receipt of written notice from the Second Lien Agent that a Second Lien Event of Default has occurred and is continuing and that the Second Lien Agent intends to commence the Exercise of Secured Creditor Remedies, and ending on the earliest to occur of (i) the date which is 180 days after receipt of such notice, (ii) the "Maturity Date" under the Second Lien Credit Agreement, and (iii) the date on which the Payment of Maximum First Lien Facility Amount has occurred. Such written notice from the Second Lien Agent to the First Lien Agent shall reference this Agreement, and shall declare a "Remedy Standstill Period" to commence.

"**Second Lien Agent**" shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successor thereto as well as any Person designated as the "Agent" under any Second Lien Credit Agreement.

"**Second Lien Credit Agreement**" shall have the meaning assigned to such term in the recitals to this Agreement and shall include any other agreement extending the maturity of, consolidating, restructuring, refunding, replacing or refinancing all or any portion of the Second Lien Obligations in accordance with the terms hereof, whether by the same or any other agent, lender or group of lenders and whether or not increasing the amount of any Indebtedness that may be incurred thereunder; provided that any such amendment, modification or refinancing shall be in accordance with the terms and conditions of this Agreement.

"**Second Lien Event of Default**" shall mean an "Event of Default" as defined in the Second Lien Credit Agreement.

"**Second Lien Guaranty**" shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any further guaranty made by a Guarantor guaranteeing the payment and performance of the Second Lien Obligations.

"**Second Lien Lenders**" shall have the meaning assigned to that term in the introduction to this Agreement, as well as any Person designated as a "Lender" under any Second Lien Credit Agreement.

"**Second Lien Loan Documents**" shall mean the Second Lien Credit Agreement, the Second Lien Guaranty, the Second Lien Security Documents, those other ancillary agreements as to which any Second Lien Secured Party is a party or a beneficiary and all other related agreements, instruments, documents and certificates, now or hereafter executed by or on behalf of any Second Lien Loan Party or any of its respective subsidiaries or Affiliates, and delivered to the Second Lien Agent, in connection with any of the foregoing or any Second Lien Credit Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof.

"**Second Lien Loan Parties**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Second Lien Obligations**" shall mean all obligations (including all "Obligations" under and defined in the Second Lien Loan Agreement) of every nature of each Second Lien Loan Party from time to time owed to the Second Lien Secured Parties or any of them, under any Second Lien Loan Document (including any obligations in connection with a DIP Financing provided by any of the Second Lien Secured Parties pursuant to Section 6.1 hereof), whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Second Lien Loan Party, would have accrued on any Second Lien Obligation), fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of the Second Lien Loan Documents, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time. Second Lien Obligations shall include all of the foregoing regardless of whether such amount or claim is allowed or allowable in any Insolvency Proceeding.

"**Second Lien Recovery**" shall have the meaning set forth in Section 5.3(b).

"**Second Lien Remedies Exercise Date**" shall mean the date following the Remedy Standstill Period and identified in the prior written notice delivered by the Second Lien Agent to the First Lien Agent as provided in Section 2.3, provided that the Second Lien Remedies Exercise Date shall not be deemed to have occurred if: (i) upon the expiration of the Remedy Standstill Period the First Lien Agent is diligently pursuing in good faith the Exercise of Secured Creditor Remedies against all or a material portion of the Collateral; or (ii) the Second Lien Event of Default giving rise to the Remedy Standstill Period is no longer continuing at the time of such Second Lien Remedies Exercise Date.

"**Second Lien Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Second Lien Security Documents**" shall mean all "Security Documents" as defined in the Second Lien Credit Agreement, and all other security agreements, mortgages, deeds of trust and other security documents executed and delivered in connection with any Second Lien Credit Agreement, in each case as the same may be amended, supplemented, restated or otherwise modified from time to time.

"**Secured Parties**" shall mean the First Lien Secured Parties and the Second Lien Secured Parties.

"**Swap Contract**" shall have the meaning assigned to that term in the First Lien Credit Agreement.

"**Triggering Event**" means (a) the acceleration of the First Lien Obligations and notification by the First Lien Agent to the Second Lien Agent that the First Lien Agent intends to commence the Exercise of Secured Creditor Remedies with respect to any material portion of the Collateral, or (b) the commencement of an Insolvency Proceeding with respect to any Loan Party.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; provided that to the extent that the Uniform Commercial Code is used to define any term in any security document and such term is defined differently in differing Articles of the Uniform Commercial Code, the definition of such term contained in Article 9 shall govern; provided, further, that, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, publication or priority of, or remedies with respect to, Liens of any Party is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "Uniform Commercial Code" will mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

Section 1.3. Rules of Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term "including" is not limiting and shall be deemed to be followed by the phrase "without limitation," and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Article, section, subsection, clause, schedule and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement to any agreement, instrument, or document shall include all alterations, amendments, changes, restatements, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, restatements, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein); provided that any terms used herein which are defined by reference to the First Lien Credit Agreement or the Second Lien Credit Agreement and are subject to the modification restrictions set forth in Section 5.2 of this Agreement shall mean such terms as defined in the First Lien Credit Agreement as of the date hereof or the Second Lien Credit Agreement as of the date hereof, as the case may be,

without giving effect to any modifications or amendments thereto except to the extent that such definitions have been modified or amended in accordance with this Agreement; and provided further that any such modifications or amendments shall be deemed to be automatically incorporated herein by reference. Any reference herein to any Person shall be construed to include such Person's successors and assigns. Any reference herein to the repayment in full of an obligation shall mean the payment in full in cash of such obligation, or in such other manner as may be approved in writing by the requisite holders or representatives in respect of such obligation.

ARTICLE 2.
LIEN PRIORITY

Section 2.1. Priority of Liens.

(a) Notwithstanding (i) the date, time, method, manner, or order of grant, attachment, or perfection of any Liens granted to the First Lien Agent or the First Lien Secured Parties in respect of all or any portion of the Collateral or of any Liens granted to the Second Lien Agent or the Second Lien Secured Parties in respect of all or any portion of the Collateral and regardless of how any such Lien was acquired (whether by grant, statute, operation of law, subrogation or otherwise), (ii) the order or time of filing or recordation of any document or instrument for perfecting the Liens in favor of the First Lien Agent or the Second Lien Agent (or First Lien Secured Parties or Second Lien Secured Parties) in any Collateral, (iii) any provision of the Uniform Commercial Code, Debtor Relief Laws or any other applicable law, or of the First Lien Loan Documents or the Second Lien Loan Documents, (iv) whether the First Lien Agent or the Second Lien Agent, in each case, either directly or through agents, holds possession of, or has control over, all or any part of the Collateral, (v) the date on which the First Lien Obligations or the Second Lien Obligations are advanced or made available to the Loan Parties, or (vi) any failure of the First Lien Agent or the Second Lien Agent to perfect its Lien in the Collateral, the subordination of any Lien on the Collateral securing any First Lien Obligations or Second Lien Obligations, as applicable, to any Lien securing any other obligation of the Borrower or any Guarantor, or the avoidance, invalidation or lapse of any Lien on the Collateral securing any First Lien Obligations or Second Lien Obligations, the First Lien Agent, on behalf of itself and the First Lien Secured Parties, and the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, hereby agree that:

(1) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the Second Lien Agent or any Second Lien Secured Party that secures all or any portion of the Second Lien Obligations shall in all respects be junior and subordinate to all Liens granted to the First Lien Agent and the First Lien Secured Parties in the Collateral to secure all or any portion of the First Lien Obligations (other than the Excess First Lien Obligations);

(2) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the First Lien Agent or any First Lien Secured Party that secures all or any portion of the First Lien Obligations (other than the Excess First Lien Obligations) shall in all respects be senior and prior to all Liens granted to the Second Lien Agent or any Second Lien Secured Party in the Collateral to secure all or any portion of the Second Lien Obligations;

(3) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the First Lien Agent or any First Lien Secured Party that secures all or any portion of the Excess First Lien Obligations shall in all respects be junior and subordinate to all Liens granted to the Second Lien Agent or any Second Lien Secured Party in the Collateral to secure all or any portion of the Second Lien Obligations (other than the Excess Second Lien Obligations);

(4) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the Second Lien Agent or any Second Lien Secured Party that secures all or any portion of the Second Lien Obligations (other than Excess Second Lien Obligations) shall in all respects be senior and prior to all Liens granted to the First Lien Agent and the First Lien Secured Parties in the Collateral to secure all or any portion of the Excess First Lien Obligations;

(5) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the First Lien Agent or any First Lien Secured Party that secures the Excess First Lien Obligations shall in all respects be senior and prior to all Liens granted to the Second Lien Agent and the Second Lien Secured Parties in the Collateral to secure all or any portion of the Excess Second Lien Obligations; and

(6) any Lien in respect of all or any portion of the Collateral now or hereafter held by or on behalf of the Second Lien Agent or any Second Lien Secured Party that secures the Excess Second Lien Obligations shall in all respects be junior and subordinate to all Liens granted to the First Lien Agent and the First Lien Secured Parties in the Collateral to secure all or any portion of the Excess First Lien Obligations.

(b) The Second Lien Agent, for and on behalf of itself and the Second Lien Secured Parties, acknowledges and agrees that, prior to or concurrently herewith, the First Lien Agent, for the benefit of itself and the First Lien Secured Parties, has been, or may be, granted Liens upon all of the Collateral in which the Second Lien Agent has been granted Liens and the Second Lien Agent hereby consents thereto. The First Lien Agent, for and on behalf of itself and the First Lien Secured Parties, acknowledges and agrees that, concurrently herewith, the Second Lien Agent, for the benefit of itself and the Second Lien Secured Parties, has been, or may be, granted Liens upon all of the Collateral in which the First Lien Agent has been granted Liens and the First Lien Agent hereby consents thereto. The subordination of Liens by the Second Lien Agent and the First Lien Agent in favor of one another as set forth herein shall not be deemed to subordinate the Second Lien Agent's Liens or the First Lien Agent's Liens to the Liens of any other Person nor be affected by the subordination of such Liens to any other Lien.

Section 2.2. Waiver of Right to Contest Liens.

(a) The Second Lien Agent, for and on behalf of itself and the Second Lien Secured Parties, agrees that it and they shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging),

directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the Liens of the First Lien Agent and the First Lien Secured Parties in respect of the Collateral or the provisions of this Agreement. The Second Lien Agent, for itself and on behalf of the Second Lien Secured Parties, agrees that none of the Second Lien Agent or the Second Lien Secured Parties will take any action that would interfere with any Exercise of Secured Creditor Remedies undertaken by the First Lien Agent or any First Lien Secured Party under the First Lien Loan Documents with respect to the Collateral, subject to and in accordance with the terms of this Agreement. The Second Lien Agent, for itself and on behalf of the Second Lien Secured Parties, hereby waives any and all rights it or the Second Lien Secured Parties may have as a junior lien creditor or otherwise to contest, protest, object to, or interfere with the manner in which the First Lien Agent or any First Lien Secured Party seeks to enforce its Liens in any Collateral. The foregoing shall not be construed to prohibit the Second Lien Agent from enforcing the provisions of this Agreement.

(b) The First Lien Agent, for and on behalf of itself and the First Lien Secured Parties, agrees that it and they shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), the validity, priority, enforceability, or perfection of the Liens of the Second Lien Agent or the Second Lien Secured Parties in respect of the Collateral or the provisions of this Agreement. The First Lien Agent, for itself and on behalf of the First Lien Secured Parties, agrees that none of the First Lien Agent or the First Lien Secured Parties will take any action that would interfere with any Exercise of Secured Creditor Remedies undertaken by the Second Lien Agent or any Second Lien Secured Party under the Second Lien Loan Documents with respect to the Collateral, subject to and in accordance with the terms of this Agreement. The foregoing shall not be construed to prohibit the First Lien Agent from enforcing the provisions of this Agreement.

(c) Each of the Second Lien Agent, each Second Lien Secured Party, the First Lien Agent and each First Lien Secured Party agrees (i) that it will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim, in the case of the Second Lien Agent and each Second Lien Secured Party, against either the First Lien Agent or any other First Lien Secured Party, and in the case of the First Lien Agent and each other First Lien Secured Party, against either the Second Lien Agent or any other Second Lien Secured Party, seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, any action taken or omitted to be taken by such Person with respect to the Collateral which is consistent with the terms of this Agreement, and none of such Parties shall be liable for any such action taken or omitted to be taken, or (ii) it will not be a petitioning creditor or otherwise assist in the filing of an involuntary Insolvency Proceeding.

(d) Notwithstanding anything to the contrary herein contained, none of the Parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

Section 2.3. Remedies Standstill.

(a) Following the occurrence of any Second Lien Event of Default and until the Second Lien Remedies Exercise Date, the Second Lien Agent may not commence or continue the Exercise of Any Secured Creditor Remedies in respect of the Collateral. On or after the Second Lien Remedies Exercise Date, upon ten (10) Business Days prior written notice to the First Lien Agent (which may be given prior to the Second Lien Remedies Exercise Date), the Second Lien Agent may take, for the benefit of the Second Lien Secured Parties, one or more of the following actions at the same or different times:

(1) the Exercise of Any Secured Creditor Remedies (including, without limitation, foreclosure upon and taking possession of the Collateral); and

(2) exercise any and all other remedies under the Second Lien Loan Documents and applicable law available to the Second Lien Secured Parties with respect to the Collateral.

In no event shall the Second Lien Agent commence or continue an Exercise of Any Secured Creditor Remedies where the Second Lien Event of Default giving rise to the Standstill Period solely resulted from a cross-default to a First Lien Event of Default that is cured or waived by the First Lien Agent, in which case such corresponding Second Lien Event of Default resulting solely from the cross-default, shall be deemed cured or waived by the Second Lien Agent; provided that, if an independent Second Lien Event of Default exists and remains uncured under the Second Lien Credit Agreement, the Second Lien Agent may exercise remedies to the extent permitted pursuant to this Section 2.3.

(b) Prior to the Payment of Maximum First Lien Facility Amount, all Proceeds of the Collateral received by the Second Lien Agent (other than reorganization securities) shall be turned over to the First Lien Agent for prompt application in accordance with Section 4.1 hereof. This Section 2.3 shall not be construed to in any way limit or impair the rights of the Second Lien Agent to join (but not control or object to in any way) any foreclosure or other Exercise of Secured Creditor Remedies with respect to the Collateral initiated by the First Lien Agent, so long as it does not delay or interfere in any material respect with the exercise by the First Lien Secured Parties of their respective rights as provided in this Agreement.

(c) Nothing contained herein shall impair the Second Lien Agent's or any Second Lien Secured Party's rights (i) to exercise any remedies against any of the Loan Parties (other than any Exercise of Secured Creditor Remedies against any the Collateral) pursuant to the Second Lien Loan Documents; (ii) to accelerate any of the Second Lien Obligations; (iii) to make demand upon any Loan Party or any other Person liable on the Second Lien Obligations; (iv) to institute a lawsuit to collect its debt; provided, however, that in the event that the Second Lien Agent or any Second Lien Secured Party becomes a judgment Lien creditor in respect of the Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Second Lien Obligations, such judgment Lien shall be subject to the terms of this Agreement for all purposes as the other Liens securing the Second Lien Obligations are subject to this Agreement; (v) to exercise any of its rights or remedies with respect to the Collateral as and

when permitted by Section 2.3(a), (vi) to file a claim or statement of interest with respect to the Second Lien Obligations; (vii) to take any action (not adverse to the priority and perfection status of, and validity of, the Liens of the First Lien Agent, or the rights of the First Lien Agent in its Exercise of Secured Creditor Remedies in respect thereof, as permitted hereunder) in order to create, perfect, preserve or protect its Lien on the Collateral; (viii) to file any necessary 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 of the Second Lien Secured Parties, including, without limitation, any claims secured by the Collateral, if any, in each case not otherwise in contravention of the terms of this Agreement; (ix) to exercise any rights or remedies available to unsecured creditors or file any pleadings, objections, motions, or agreements which assert rights or interests available to unsecured creditors arising under the Second Lien Loan Documents, any Insolvency Proceeding or applicable non-bankruptcy law, in each case, not otherwise prohibited in its capacity as a secured creditor by the terms of this Agreement and so long as it is not otherwise inconsistent with the terms of this Agreement; (x) to bid for or purchase any Collateral at any public, private or judicial foreclosure upon such Collateral initiated by the First Lien Agent or any sale of any Collateral during an Insolvency Proceeding; provided that such bid may not include a "credit bid" unless the cash proceeds of such bid paid on the closing date of the purchase are otherwise sufficient to cause the Payment of Maximum First Lien Facility Amount; or (xi) to vote on any plan of reorganization, arrangement or compromise or any proposal, file any proof of claim, make other filings and make any arguments and motions in any Insolvency Proceeding that are, in each case, not otherwise prohibited by the terms of this Agreement.

(d) Nothing contained herein shall impair the First Lien Agent's or any First Lien Secured Party's rights (i) to exercise any remedies against any of the Loan Parties or the Collateral pursuant to the First Lien Loan Documents; (ii) to accelerate any of the First Lien Obligations; (iii) to make demand upon any Loan Party or any other Person liable on the First Lien Obligations; (iv) to institute a lawsuit to collect its debt; provided that any Lien resulting from any judgment Lien that shall secure any Excess First Lien Obligations shall be subject to the lien priority and other terms of this Agreement; (v) to file a claim or statement of interest with respect to the First Lien Obligations; (vi) to take any action (not adverse to the perfection status of, and validity of, the Liens of the Second Lien Agent, or the rights of the Second Lien Agent to exercise remedies in respect thereof) in order to create, perfect, preserve or protect its Lien on the Collateral subject to the other terms of this Agreement; (vii) to file any necessary 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 of the First Lien Secured Parties, including, without limitation, any claims secured by the Collateral, if any, in each case not otherwise in contravention of the terms of this Agreement; (viii) to exercise any rights or remedies available to unsecured creditors or file any pleadings, objections, motions, or agreements which assert rights or interests available to unsecured creditors arising under the First Lien Loan Documents, any Insolvency Proceeding or applicable non-bankruptcy law, in each case, not otherwise prohibited in its capacity as a secured creditor or in any other capacity by the terms of this Agreement and so long as it is not otherwise inconsistent with the terms and conditions of this Agreement; and (ix) to vote on any plan of reorganization, arrangement or compromise or any proposal, file any proof of claim, make other filings and make any arguments and motions in any Insolvency Proceeding that are, in each case, not otherwise prohibited by or inconsistent with the terms of this Agreement.

Section 2.4. Release of Liens.

In the event of (A) any private or public sale of all or any portion of the Collateral in connection with any Exercise of Secured Creditor Remedies by the First Lien Agent or with the consent of the First Lien Agent after the occurrence and during the continuance of a First Lien Event of Default, or (B) any sale, transfer or other disposition of all or any portion of the Collateral, so long as such sale, transfer or other disposition is then permitted by the First Lien Loan Documents and the Second Lien Loan Documents or consented to by the requisite First Lien Lenders and the requisite Second Lien Lenders, the Second Lien Agent agrees, on behalf of itself and the Second Lien Lenders that such sale, transfer or other disposition will be free and clear of the Liens on such Collateral securing the Second Lien Obligations, and the Second Lien Agent's and the Second Lien Secured Parties' Liens with respect solely to the Collateral so sold, transferred, or disposed shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of the First Lien Secured Parties' Liens on such Collateral; provided that, such release by the Second Lien Agent is also conditioned on (i) the Second Lien Secured Parties' Liens in respect of the Proceeds of such Collateral so sold, transferred, or disposed shall continue to exist with the priority of such Liens remaining subject to the terms of this Agreement; and (ii) the Proceeds of such Collateral shall be applied on a dollar for dollar basis to permanently reduce the First Lien Obligations and the Second Lien Obligations in accordance with Section 4.1. In furtherance of, and subject to, the foregoing, the Second Lien Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested by the First Lien Agent in connection therewith. The Second Lien Agent hereby appoints the First Lien Agent and any officer or duly authorized person of the First Lien Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney to be exercised if the Second Lien Agent does not take such action within ten (10) Business Days after written notice, in the place and stead of the Second Lien Agent and in the name of the Second Lien Agent or in the First Lien Agent's own name, from time to time, in the First Lien Agent's reasonable discretion, for the purposes of carrying out the terms of this paragraph, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary to accomplish the purposes of this paragraph, including any financing statements, endorsements, assignments, releases or other documents or instruments of transfer.

Section 2.5. No New Liens. (a) Until the date upon which the Discharge of First Lien Obligations shall have occurred, the parties hereto agree that no Second Lien Secured Party shall acquire or hold any Lien (other than any judgment lien as set forth in Section 2.3(c) above) on any assets of any Loan Party securing any Second Lien Obligation which assets are not also subject to the Lien of the First Lien Agent under the First Lien Loan Documents, other than the Excluded Term Loan Collateral. If any Second Lien Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any Second Lien Obligation which assets are not also subject to the Lien of the First Lien Agent under the First Lien Loan Documents (other than the Excluded Term Loan Collateral), then the Second Lien Agent (or the relevant Second Lien Secured Party) shall, without the need for any further consent of any other Second Lien Secured Party, the Borrower or any Guarantor and notwithstanding anything to the contrary in any other Second Lien Loan Document, be deemed to also hold and have held such Lien as agent or bailee for the benefit of the First Lien Agent as security for the First Lien Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the First Lien Agent in writing of the existence of such Lien.

(b) Until the date upon which the Discharge of Second Lien Obligations shall have occurred, the parties hereto agree that no First Lien Secured Party shall acquire or hold any Lien (other than any judgment lien as set forth in Section 2.3(c) above) on any assets of any Loan Party securing any First Lien Obligation which assets are not also subject to the Lien of the Second Lien Agent under the Second Lien Loan Documents. If any First Lien Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Loan Party securing any First Lien Obligation which assets are not also subject to the Lien of the Second Lien Agent under the Second Lien Loan Documents, then the First Lien Agent (or the relevant First Lien Secured Party) shall, without the need for any further consent of any other First Lien Secured Party, the Borrower or any Guarantor and notwithstanding anything to the contrary in any other First Lien Loan Document be deemed to also hold and have held such Lien as agent or bailee for the benefit of the Second Lien Agent as security for the Second Lien Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the Second Lien Agent in writing of the existence of such Lien.

Section 2.6. Waiver of Marshalling.

Until the Payment of Maximum First Lien Facility Amount, the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Collateral or any other similar rights a junior secured creditor may have under applicable law.

ARTICLE 3.
ACTIONS OF THE PARTIES

Section 3.1. Certain Actions Permitted. The Second Lien Agent and the First Lien Agent may make such demands or file such claims in respect of the Second Lien Obligations or the First Lien Obligations, as applicable, as are necessary to prevent the waiver or bar of such claims under applicable statutes of limitations or other statutes, court orders, or rules of procedure at any time. Nothing in this Agreement shall prohibit the receipt by the Second Lien Agent or any Second Lien Secured Party of the payments of interest, principal and other amounts owed in respect of the Second Lien Obligations so long as such receipt is not the direct or indirect result of (a) the Exercise of any Secured Creditor Remedies in violation of this Agreement, or (b) the enforcement of any Lien held by the Second Lien Agent or any Second Lien Secured Party in contravention of this Agreement. Nothing in this Agreement shall prohibit the receipt by the First Lien Agent or any First Lien Secured Party of the payments of interest, principal and other amounts owed in respect of the First Lien Obligations.

Section 3.2. Agent for Perfection. The First Lien Agent, for and on behalf of itself and each First Lien Secured Party, acknowledges and agrees to hold all Control Collateral in its possession, custody, or control (or in the possession, custody, or control of agents or bailees for the First Lien Agent) as agent and bailee for the benefit of, and on behalf of, the Second Lien

Agent and the Second Lien Secured Parties solely for the purpose of perfecting the security interest granted to the Second Lien Agent in such Collateral, subject to the terms and conditions of this Section 3.2. In furtherance of the foregoing, Second Lien Agent, on behalf of the Second Lien Secured Parties, hereby appoints First Lien Agent as bailee for purposes of maintaining a perfected Lien on behalf of such Second Lien Secured arties in such Control Collateral. None of the First Lien Agent or the First Lien Secured Parties shall have any obligation whatsoever to the Second Lien Agent or the Second Lien Secured Parties to assure that the Collateral is genuine or owned by the Borrower, any Guarantor, or any other Person or to preserve rights or benefits of any Person. The duties or responsibilities of the First Lien Agent under this Section 3.2 are and shall be limited solely to holding or maintaining control of the Control Collateral as agent for the Second Lien Agent for purposes of perfecting the Lien held by the Second Lien Agent. The First Lien Agent is not and shall not be deemed to be a fiduciary of any kind for the Second Lien Secured Parties or any other Person.

Section 3.3. Sharing of Information and Access; Notices of Default

(a) In the event that the First Lien Agent shall, in the exercise of its rights under the First Lien Security Documents or otherwise, receive possession or control of any books and records of any Loan Party which contain information identifying or pertaining to the Collateral, the First Lien Agent shall, upon request from the Second Lien Agent and as promptly as practicable thereafter, either make available to the Second Lien Agent such books and records for inspection and duplication or provide to the Second Lien Agent copies thereof. In the event that the Second Lien Agent shall, in the exercise of its rights under the Second Lien Security Documents or otherwise, receive possession or control of (i) any books and records of any Loan Party which contain information identifying or pertaining to any of the Collateral, the Second Lien Agent shall, upon request from the First Lien Agent and as promptly as practicable thereafter, either make available to the First Lien Agent such books and records for inspection and duplication or provide the First Lien Agent copies thereof or (ii) any Excluded Term Loan Collateral prior to Second Lien Remedies Exercise Date, Second Lien Agent and First Lien Agent shall use commercially reasonable efforts to enter into an access agreement, to the extent that First Lien Agent has notified Second Lien Agent of its intention to Exercise Secured Creditor Remedies requiring access to such Excluded Term Loan Collateral.

(b) Each Agent shall give to the other Agent concurrently with the giving thereof to any Loan Party (a) a copy of any written notice by such Agent of an First Lien Event of Default or a Second Lien Event of Default, as the case may be, or a written notice of demand for payment from any Loan Party and (b) a copy of any written notice sent by such Agent to any Loan Party stating such Agent's intention to Exercise of any Secured Creditors' Remedies or to exercise any other material enforcement rights or remedies with respect to the Collateral against such Loan Party, including written notice pertaining to any foreclosure on all or any material part of its Liens or other judicial or non-judicial remedy in respect thereof, and any legal process served or filed in connection therewith; provided that the failure of any Agent to give such required notice shall not result in any liability to such Agent or affect the enforceability of any provision of this Agreement, including the relative priorities of the Liens of the Agents and Secured Parties as provided herein, and shall not affect the validity or effectiveness of any such notice as against any Loan Party or of any action taken pursuant to such notice or in relation to the events giving rise thereto; provided, further, that the foregoing shall not in any way impair any claims that any Agent may have against the other Agent as a result of any failure of such Agent to provide any notice in connection with a foreclosure against the Collateral by such Agent as required under applicable law.

(c) Each Agent agrees to promptly provide the other Agent copies of all collateral appraisals, results of field examinations, results of physical inventories and tax and other lien searches, in each case, to the extent requested by the other Agent (collectively "Due Diligence") with respect to the Loan Parties or the Collateral (to the extent not prohibited by any third parties that prepared such materials) and each Agent consents to the Loan Parties providing the other Agent with copies of such Due Diligence (to the extent not prohibited by any third parties that prepared such materials). The failure of any Agent to provide Due Diligence materials shall not, in any case, (a) any of the rights, privileges or obligations under this Agreement or (b) give rise to any claim, cause of action or liability by any Agent or Secured Party or any person conducting such appraisals and commercial finance audits. Each Agent, for itself and on behalf of its respective Secured Parties, acknowledges and agrees that the preparation of Due Diligence may be subject to the cooperation of the cooperation of the Loan Parties and neither the other Agent, such Agent's respective Secured Parties nor any of their respective agents, consultants, advisors, counsel or employees make any representation or warranties whatsoever, including, without limitation, any representation as to the completeness or accuracy of the Due Diligence, either at the time the Due Diligence was prepared or at the present time and such information is provided for informational purposes only, and may not be relied upon by such other Agent, such other Secured Parties or any other party, in any manner whatsoever. Each Agent, for itself and on behalf of its respective Secured Parties, further acknowledges and agrees that the Due Diligence shall not give rise to any claim or cause of action or liability against, and shall be provided without recourse to, the other Agent, such other Agent's respective Secured Parties or any agent, consultant, advisor, counsel or employees thereof. Each Agent, for itself and on behalf of its respective Secured Parties, agrees that it shall use such Due Diligence in connection with its administration under the applicable Credit Documents. The Loan Parties irrevocably authorize each Agent to provide the other Agent with copies of Due Diligence.

Section 3.4. Insurance. Proceeds of Collateral include insurance proceeds and, therefore, the Lien Priority shall govern the ultimate disposition of casualty insurance proceeds. The First Lien Agent and the Second Lien Agent shall each be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Collateral. Prior to the Payment of Maximum First Lien Facility Amount, the First Lien Agent shall have the sole and exclusive right, as against the Second Lien Agent, to adjust settlement of insurance claims with respect to the Collateral in a commercially reasonable manner. After the Payment of Maximum First Lien Facility Amount but prior to the Payment of Maximum Second Lien Facility Amount, the Second Lien Agent shall have the sole and exclusive right, as against the First Lien Agent, to adjust settlement of insurance claims with respect to the Collateral in a commercially reasonable manner. After the Payment of Maximum Second Lien Facility Amount, the First Lien Agent shall have the sole and exclusive right, as against the Second Lien Agent, to adjust settlement of insurance claims with respect to the Collateral in a commercially reasonable manner. Upon the receipt of any proceeds of insurance by the First Lien Agent or the Second Lien Agent, such proceeds shall be applied as set forth in Section 4.1 hereof. Prior to the Payment of Maximum First Lien Facility Amount, the Second Lien Agent hereby appoints the

First Lien Agent and any officer or duly authorized person of the First Lien Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney to make any endorsements as agent for the Second Lien Agent or any such other Second Lien Secured Parties; provided that such appointment shall be exercised only if the Second Lien Agent does not make such endorsement within ten (10) Business Days after written notice. After the Payment of Maximum First Lien Facility Amount, the First Lien Agent hereby appoints the Second Lien Agent and any officer or duly authorized person of the Second Lien Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney to make any endorsements as agent for the First Lien Agent or any such other First Lien Secured Parties; provided that such appointment shall be exercised only if the First Lien Agent does not make such endorsement within ten (10) Business Days after written notice.

Section 3.5. No Additional Rights For the Loan Parties Hereunder. If any First Lien Secured Party or Second Lien Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, the Loan Parties shall not be entitled to use such violation as a defense to any action by any First Lien Secured Party or Second Lien Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Lien Secured Party or Second Lien Secured Party.

Section 3.6. Payments Over.

So long as the Discharge of First Lien Obligations has not occurred, any Collateral or Proceeds thereof received by the Second Lien Agent or any Second Lien Secured Parties in connection with the Exercise of Secured Creditor Remedies or any other exercise of any right or remedy (including set off) relating to the Collateral shall be segregated and held in trust and forthwith paid over to the First Lien Agent in the same form as received, with any necessary endorsements for application in accordance with the provisions of Section 4.1 hereof or as a court of competent jurisdiction may otherwise direct; provided that after Payment of Maximum First Lien Facility Amount, the Second Lien Agent may retain such Proceeds for application to the Maximum Second Lien Facility Amount until Payment of Maximum Second Lien Facility Amount has occurred.

Section 3.7. Revolving Nature of Certain First Lien Obligations. The Second Lien Agent, for and on behalf of itself and the Second Lien Secured Parties, expressly acknowledges and agrees that (i) the First Lien Credit Agreement includes a revolving commitment, that in the ordinary course of business the First Lien Agent and the First Lien Lenders will apply payments and make advances thereunder, and that no application of any Collateral or the release of any Lien by the First Lien Agent upon any portion of the Collateral in connection with a permitted disposition by the Loan Parties under the First Lien Credit Agreement as in effect on the date hereof, prior to a First Lien Event of Default shall constitute the Exercise of Secured Creditor Remedies under this Agreement; (ii) the amount of the First Lien Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the First Lien Obligations may be modified, extended or amended from time to time (in accordance with Section 5.2), and that the aggregate amount of the First Lien Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Second Lien Secured Parties and without affecting the provisions hereof; and (iii) all Collateral received by the First Lien Agent may be applied,

reversed, reapplied or credited, in whole or in part, to the First Lien Obligations at any time. The Lien Priority shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the First Lien Obligations or the Second Lien Obligations, or any portion thereof.

ARTICLE 4.
APPLICATION OF PROCEEDS

Section 4.1. Application of Proceeds.

The First Lien Agent and the Second Lien Agent hereby agree that (i) all Collateral and all Proceeds thereof received by either of them in connection with any Exercise of Secured Creditor Remedies with respect to the Collateral, (ii) all Collateral and all Proceeds thereof received by either of them in connection with the exercise of any right or remedy (including set off) relating to the Collateral, or (iii) all Collateral and all Proceeds thereof received by either of them following the commencement of any Insolvency Proceeding or other payments received from any source derived, other than (a) reorganization securities, (b) proceeds of Excluded Term Loan Collateral, (c) cash payments received pursuant to Section 6.3(c)(ii) of this Agreement, and (c) after the completion of the liquidation or sale of all or substantially all of the Collateral or a refinancing of the First Lien Obligations, any other payments generally paid or payable to general unsecured creditors not having any priority under Sections 364(c)(1) and 507 of the Bankruptcy Code) in each case, shall be applied,

first, to the payment of reasonable costs and expenses of the First Lien Agent,

second, to the payment of the First Lien Obligations (other than the Excess First Lien Obligations) in accordance with the First Lien Loan Documents until the Discharge of First Lien Obligations (other than the Excess First Lien Obligations) shall have occurred;

third, to the payment of the Second Lien Obligations (other than the Excess Second Lien Obligations) in accordance with the Second Lien Loan Documents until the Discharge of Second Lien Obligations (other than the Excess Second Lien Obligations) shall have occurred,

fourth, to the payment of the Excess First Lien Obligations in accordance with the First Lien Loan Documents until the Discharge of First Lien Obligations shall have occurred,

fifth, to the payment of the Excess Second Lien Obligations in accordance with the Second Lien Loan Documents until the Discharge of Second Lien Obligations shall have occurred, and

sixth, the balance, if any, to the Loan Parties or as a court of competent jurisdiction may direct.

Section 4.2. Turnover of Collateral After Discharge. Upon the Payment of Maximum First Lien Facility Amount, the First Lien Agent shall deliver to the Second Lien Agent or shall execute such documents as the Second Lien Agent may reasonably request (at the expense of the Borrower) to enable the Second Lien Agent to have control over any Control Collateral still in the First Lien Agent's possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct. Thereafter, upon the Payment of Maximum Second Lien Facility Amount, the Second Lien Agent shall deliver to the First Lien Agent or shall execute such documents as the First Lien Agent may reasonably request (at the expense of the Borrower) to enable the First Lien Agent to have control over any Control Collateral still in the Second Lien Agent's possession, custody, or control in the same form as received with any necessary endorsements, or as a court of competent jurisdiction may otherwise direct.

Section 4.3. Limited Obligation or Liability. In exercising remedies, whether as a secured creditor or otherwise, the First Lien Agent shall have no obligation or liability to the Second Lien Agent or to any Second Lien Secured Party regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by the First Lien Agent under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, none of the Parties hereto waives any claim that it may have against a Secured Party on the grounds that any sale, transfer or other disposition by the Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

Section 4.4. Specific Performance. Each of the First Lien Agent and the Second Lien Agent is hereby authorized to demand specific performance of this Agreement, whether or not the Borrower or any Guarantor shall have complied with any of the provisions of any of the Loan Documents, at any time when the other Party shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the First Lien Agent, for and on behalf of itself and the First Lien Secured Parties, and the Second Lien Agent, for and on behalf of itself and the Second Lien Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE 5.
INTERCREDITOR ACKNOWLEDGEMENTS AND WAIVERS

Section 5.1. Notice of Acceptance and Other Waivers

(a) All First Lien Obligations at any time made or incurred by the Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, hereby waives notice of acceptance, or proof of reliance by the First Lien Agent or any First Lien Secured Party of this Agreement, and notice of the existence, increase, renewal, extension, accrual, creation, or non-payment of all or any part of the First Lien Obligations. All Second Lien Obligations at any time made or incurred by the Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the First Lien Agent, on behalf of itself and the First Lien Secured Parties, hereby waives notice of acceptance, or proof of reliance, by the Second Lien Agent or any Second Lien Secured Party of this Agreement, and notice of the existence, increase, renewal, extension, accrual, creation, or non-payment of all or any part of the Second Lien Obligations.

(b) None of the First Lien Agent, any First Lien Secured Party, or any of their respective Affiliates, directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or any Proceeds, or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral or Proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or Proceeds thereof, except as specifically provided in this Agreement. If the First Lien Agent or any First Lien Secured Party otherwise should exercise any of its contractual rights or remedies under any First Lien Loan Documents (subject to the terms and conditions hereof), neither the First Lien Agent nor any First Lien Secured Party shall have any liability whatsoever to the Second Lien Agent or any Second Lien Secured Party as a result of such action, omission, or exercise (so long as any such exercise does not breach the terms and provisions of this Agreement). The First Lien Agent and the First Lien Secured Parties shall be entitled to manage and supervise their loans under any First Lien Credit Agreement and any of the other First Lien Loan Documents as they may, in their sole discretion, deem appropriate, and may manage their loans without regard to any rights or interests that the Second Lien Agent or any of the Second Lien Secured Parties have in the Collateral, except as otherwise expressly set forth in this Agreement. Subject to Sections 2.4 and 4.1, the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, agrees that neither the First Lien Agent nor any First Lien Secured Party shall incur any liability as a result of a sale, lease, license, application, or other disposition of all or any portion of the Collateral or Proceeds thereof, pursuant to the First Lien Loan Documents, so long as such disposition is conducted in accordance with applicable law and does not breach the provisions of this Agreement.

Section 5.2. Modifications to First Lien Documents and Second Lien Documents.

(a) The First Lien Agent and the First Lien Secured Parties may at any time and from time to time and without the consent of or notice to the Second Lien Agent or any Second Lien Secured Party, without incurring any liability to the Second Lien Agent or any Second Lien Secured Party and without impairing or releasing any rights or obligations hereunder or otherwise, amend, restate, supplement, modify, waive, substitute, renew, refinance, or replace any or all of the First Lien Loan Documents; provided, however, that without the consent of the Second Lien Agent, the First Lien Secured Parties shall not amend, restate, supplement, modify, waive, substitute, renew, refinance or replace any or all of the First Lien Loan Documents to:

(1) increase the sum of the then outstanding aggregate principal amount of the loans made under the First Lien Credit Agreement in excess of the amount of the Maximum First Lien Facility Amount;

(2) increase the effective yield on Indebtedness under the First Lien Credit Agreement by more than 400 basis points, including (i) by increasing floors or the aggregate amount of the rates of interest set forth in the definition of "Applicable

Margin" as defined in the First Lien Credit Agreement as in effect on the date hereof, and (ii) any fees that are similar to interest and/or that are recurring through the term of the First Lien Credit Agreement, that, together with any increase in clause (i), by an amount that corresponds to 400 or more basis points in yield per annum at any level of the pricing grid applicable thereto (other than any increase occurring because of fluctuations in underlying rate indices or the imposition of the Default Rate);

(3) subordinate all of the Liens securing the First Lien Obligations to any other Lien, or the right to payment of all of the First Lien Obligations to any other indebtedness (other than in connection with the Carve Out in an Insolvency Proceeding as permitted in Section 6.1(c) below); provided that the holder(s) of the First Lien Obligations shall be permitted to subordinate their Liens or rights to payment with respect to each other;

(4) modify any provision in the First Lien Credit Agreement as in effect on the date hereof that restricts purchases of First Lien Obligations, or voting rights related thereto, by any Loan Party or any Affiliate of any Loan Party;

(5) shorten the scheduled payments or maturity or change the average weighted life of the First Lien Obligations;

(6) modify any provision thereunder that restricts any Loan Party from making payments of the Second Lien Obligations that would otherwise be permitted under the First Lien Credit Agreement as in effect on the date hereof; or

(7) make any other amendment or modification in contravention of this Agreement.

(b) The Second Lien Agent and the Second Lien Secured Parties may at any time and from time to time and without consent of or notice to the First Lien Secured Parties, without incurring any liability to the First Lien Secured Parties and without impairing or releasing any rights or obligations hereunder or otherwise, amend, restate, supplement, modify, waive, substitute, renew, refinance or replace any or all of the Second Lien Loan Documents; provided, however, that without the consent of the First Lien Agent, the Second Lien Agent and the Second Lien Secured Parties shall not amend, restate, supplement, modify, waive, substitute, renew, refinance or replace any or all of the Second Lien Loan Documents to:

(1) increase the aggregate outstanding principal amount of the Second Lien Obligations in excess of the amount of the Maximum Second Lien Facility Amount;

(2) increase the effective yield on Indebtedness under the Second Lien Credit Agreement by more than 200 basis points, including by increasing the aggregate amount of the rates of interest set forth in the definition of "Applicable Margin" as defined in the Second Lien Credit Agreement, together with any fees that are similar to interest that are recurring through the term of the Second Lien Credit Agreement, in an amount that would increase the effective yield on Indebtedness under the Second Lien Credit Agreement by more than 200 basis points (other than any increase occurring because of fluctuations in underlying rate indices or the imposition of the Default Rate) or increase the percentage with respect to the Default Rate by more than 200 basis points per annum above the rate applicable thereto on the date hereof;

(3) shorten the scheduled maturity of the Second Lien Obligations;

(4) require any mandatory prepayments or scheduled repayments of the Second Lien Obligations except as provided in the Second Lien Loan Documents as in effect on the date hereof or require that any scheduled payment on the Second Lien Obligations be made earlier than the date originally scheduled for such payment;

(5) increase the amount of any prepayment premium or call protection;

(6) change any conditions, covenants, defaults or events of default thereunder that expressly restricts any Loan Party from making payments of the First Lien Obligations that would otherwise be permitted under the Second Lien Loan Documents as in effect on the date hereof;

(7) amends any covenant or financial covenant in manner that makes it more restrictive or less favorable to any Loan Party; or

(8) make any other amendment or modification in contravention of this Agreement.

(c) Subject to Sections 5.2(a) and (b) above, the First Lien Obligations and the Second Lien Obligations may be refinanced, in whole or in part, in each case, without notice to, or the consent (except to the extent a consent is required to permit the refinancing transaction under any First Lien Loan Document or any Second Lien Loan Document) of the First Lien Agent, the First Lien Secured Parties, the Second Lien Agent or the Second Lien Secured Parties, as the case may be, all without affecting the Lien Priority provided for herein or the other provisions hereof, provided, however, that the holders of such refinancing indebtedness (or an authorized agent or trustee on their behalf) bind themselves in writing to the terms of this Agreement pursuant to such documents or agreements (including amendments or supplements to this Agreement) as the First Lien Agent or the Second Lien Agent, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the First Lien Agent or the Second Lien Agent, as the case may be, and any such refinancing transaction shall be in accordance with any applicable provisions of both the First Lien Loan Documents and the Second Lien Loan Documents (to the extent such documents survive the refinancing).

Section 5.3. Reinstatement and Continuation of Agreement.

(a) If the First Lien Agent or any First Lien Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of the Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the First Lien Obligations (a **"First Lien Recovery"),** then the First Lien Obligations shall be reinstated to the extent of such First Lien Recovery. If this Agreement shall have been terminated prior to such First Lien Recovery, this Agreement shall be reinstated in full force and effect in the event of such First Lien Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Parties from such date of

reinstatement, but such reinstatement shall not impose an obligation on the Second Lien Agent or Second Lien Secured Parties to disgorge payments received by the Second Lien Agent prior to such reinstatement, including from the Proceeds of Collateral, in accordance with the terms of Section 4.1 hereof. All rights, interests, agreements, and obligations of the First Lien Agent, the Second Lien Agent, the First Lien Secured Parties, and the Second Lien Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against the Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of the Borrower or any Guarantor in respect of the First Lien Obligations or the Second Lien Obligations. No priority or right of the First Lien Agent or any First Lien Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of the Borrower or any Guarantor or by the noncompliance by any Person with the terms, provisions, or covenants of any of the First Lien Loan Documents, regardless of any knowledge thereof which the First Lien Agent or any First Lien Secured Party may have.

(b) If the Second Lien Agent or any Second Lien Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of the Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the Second Lien Obligations (a "**Second Lien Recovery**"), then the Second Lien Obligations shall be reinstated to the extent of such Second Lien Recovery. If this Agreement shall have been terminated prior to such Second Lien Recovery, this Agreement shall be reinstated in full force and effect in the event of such Second Lien Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Parties from such date of reinstatement, but such reinstatement shall not impose an obligation on the First Lien Agent or First Lien Secured Parties to disgorge payments received by the First Lien Agent prior to such reinstatement, including from the Proceeds of Collateral, in accordance with the terms of Section 4.1 hereof. All rights, interests, agreements, and obligations of the First Lien Agent, the Second Lien Agent, the First Lien Secured Parties, and the Second Lien Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against the Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of the Borrower or any Guarantor in respect of the First Lien Obligations or the Second Lien Obligations. No right of the Second Lien Agent or any Second Lien Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of the Borrower or any Guarantor or by the noncompliance by any Person with the terms, provisions, or covenants of any of the Second Lien Loan Documents, regardless of any knowledge thereof which the Second Lien Agent or any Second Lien Secured Party may have.

ARTICLE 6.
INSOLVENCY PROCEEDINGS

Section 6.1. DIP Financing.

(a) If the Borrower or any Guarantor shall be subject to any Insolvency Proceeding at any time prior to Payment of Maximum First Lien Facility Amount, and the First Lien Agent or the First Lien Secured Parties shall seek to provide the Borrower or any Guarantor with, or consent to a third party providing, any financing under Section 364 of the Bankruptcy Code or consent to any order for the use of cash collateral constituting Collateral under Section 363 of the Bankruptcy Code (each, a "**DIP Financing**"), with such DIP Financing to be secured by Liens on all or any portion of the Collateral (including assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws) would be Collateral and assets constituting Excluded Term Loan Collateral), then the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, agrees that it will raise no objection and will not support any objection as a secured creditor, to such DIP Financing or use of cash collateral or to the Liens securing the same on any grounds, including a failure to provide "adequate protection" for the Liens of the Second Lien Agent securing the Second Lien Obligations (and will not request any adequate protection solely as a result of such DIP Financing or use of cash collateral except as permitted by Section 6.3(b) and will not offer or support any debtor-in-possession financing that would compete with such DIP Financing), and will subordinate the Liens of the Second Lien Secured Parties in the Excluded Term Loan Collateral to the Liens securing such DIP Financing, so long as (i) the Second Lien Agent retains its Lien on the Collateral to secure the Second Lien Obligations (in each case, including Proceeds thereof arising after the commencement of the case under any Debtor Relief Laws), (ii) the additional amount advanced against the Collateral pursuant to any such DIP Financing plus the amount of First Lien Obligations outstanding under the First Lien Credit Agreement as of the commencement of the Insolvency Proceeding, together with any Carve Out (defined below) does not exceed the Maximum First Lien Facility Amount, (iii) all Liens on the Collateral securing any such DIP Financing shall be senior to or on a parity with the Liens of the First Lien Agent and the First Lien Secured Parties securing the First Lien Obligations on the Collateral; (iv) the DIP Financing does not compel any Borrower or any Guarantor to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation; (v) such DIP Financing shall be maintained as an "asset-based" loan; (vi) the advance rates, fees and other terms of such DIP Financing shall be commercially reasonable and the advance rates therein shall not be increased above 100% of any eligible asset category; and (vii) such DIP Financing shall be subject to the terms of this Agreement; provided, however, that nothing herein shall prevent the Second Lien Agent or the Second Lien Secured Parties from (x) objecting to any provision in any DIP Financing relating to any provision or content of a plan of reorganization to the extent that such objection is not inconsistent with the terms of this Agreement, (y) objecting to any agreement or arrangements that require a specific treatment of the claim in the Insolvency Proceeding for purposes of a plan of reorganization or contravene the terms of this Agreement in any material respect, or (z) objecting on any grounds available to an unsecured creditor. If the Second Lien Agent and the Second Lien Secured Parties exercise the purchase option set forth in Article 7 hereof with respect to the First Lien Obligations, the First Lien Agent agrees, on behalf of the First Lien Secured Parties, that the Persons being the First Lien Agent and the First Lien Secured Parties prior to giving effect to the purchase, shall not seek to provide the Borrower or any Guarantor with a DIP Financing following such purchase.

(b) Notwithstanding the provisions of Section 6.1(a), the Second Lien Agent or any or all of the Second Lien Secured Parties may propose to provide (or support any other Person in providing) any DIP Financing that does not compete with the DIP Financing provided by the First Lien Secured Parties; provided that the Liens on the Collateral securing such DIP Financing are not pari passu or senior to the Liens on the Collateral that secure the First Lien Obligations and such DIP Financing shall be subject to the terms of this Agreement.

(c) In connection with the approval of any DIP Financing, (i) the First Lien Agent and the First Lien Secured Parties may consent, in their commercially reasonable discretion, to the use of cash collateral or use of DIP Financing proceeds to pay "Section 503(b)(9)" claims, "stub rent" claims, claims of creditors having or claiming to have Liens having priority over the Liens securing the First Lien Obligations and Second Lien Obligations, and other similar types of claims that may be customarily required to be paid in order for such DIP Financing to be approved; and (ii) any Liens on the Collateral held by the First Lien Agent and the First Lien Secured Parties may be subject to a carve-out amount granted with respect to professional fees and expenses, court costs, filing fees and fees and costs of the Office of the United States Trustee, as approved by the bankruptcy court (collectively, the "**Carve Out**"). In such circumstances, unless the Second Lien Agent and the Second Lien Secured Creditor Parties have provided DIP Financing, the Second Lien Agent and the Second Lien Secured Parties shall not object to the payment of any such Carve-Out, and the Liens on the Collateral of the Second Lien Agent and the Second Lien Secured Parties shall be subject to such Carve-Out to the same extent as, and maintaining the same relative priority to, the Liens on the Collateral of the First Lien Agent.

(d) All Liens granted to the First Lien Agent or the Second Lien Agent in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended by the Parties to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement.

(e) Nothing in this Agreement shall prevent First Lien Agent or any First Lien Lender or Second Lien Agent or any Second Lien Lender from proposing a DIP Facility that is not conforming to the provisions of this Section 6.1 if such alternative DIP Financing has been requested by the Borrower (the "**Nonconforming DIP Facility**"); provided that the amount of such Nonconforming DIP Facility, together with the First Lien Obligations or the Second Lien Obligations, as the case may be, shall not exceed the Maximum First Lien Facility Amount or the Maximum Second Lien Facility Amount, as applicable. In such circumstances, the Borrower and the party proposing such Nonconforming DIP Facility shall provide notice to the other parties to this Agreement that a Nonconforming DIP Facility is being proposed, in which case the limitations and agreements of this Section 6.1 with respect to First Lien Agent or Second Lien Agent (or any First Lien Lender or Second Lien Lender) objecting to such DIP Facility or seeking other remedies or protection shall be inapplicable.

Section 6.2. Relief From Stay. Until the Second Lien Remedies Exercise Date, the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of any portion of the Collateral (other than in connection with the provision of DIP Financing) without the First Lien Agent's express written consent. In addition, neither the First Lien Agent nor the Second Lien Agent shall seek any relief from the automatic stay with respect to any Collateral without providing three (3) days' prior written notice to the other, unless such period is agreed by both the First Lien Agent and the Second Lien Agent to be modified or unless, with respect to the First Lien Agent, it makes a good faith determination that either (A) the Collateral will decline speedily in value or (B) the failure to take any action will have a reasonable likelihood of endangering the First Lien Agent's ability to realize upon the Collateral.

Section 6.3. No Contest; Adequate Protection.

(a) In any Insolvency Proceeding, the Second Lien Agent, on behalf of itself and the Second Lien Secured Parties, agrees that, prior to the Discharge of First Lien Obligations, none of them shall contest (or support any other Person contesting) (i) any request by the First Lien Agent or any First Lien Secured Party for adequate protection of its interest in the Collateral in compliance with the terms of this Agreement, (ii) except as otherwise expressly provided herein, any proposed provision of DIP Financing by the First Lien Agent and some or all of the First Lien Secured Parties consistent with Section 6.1(a), or (iii) any objection by the First Lien Agent or any First Lien Secured Party to any motion, relief, action, or proceeding based on a claim by the First Lien Agent or any First Lien Secured Party that its interests in the Collateral are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the First Lien Agent as adequate protection of its interests are subject to this Agreement.

(b) In any Insolvency Proceeding, the First Lien Agent, on behalf of itself or any of the First Lien Secured Parties, agrees that if the First Lien Secured Parties are granted adequate protection in the form of:

(1) an additional or replacement Lien in connection with any DIP Financing or use of cash collateral that constitutes Collateral, then First Lien Agent agrees that Second Lien Agent shall also be entitled to seek, without objection from the First Lien Agent, adequate protection in the form of an additional or replacement Lien, which additional or replacement Lien, if obtained, shall be junior to the Liens securing the First Lien Obligations (including those under a DIP Financing) on the same basis as the other Liens securing the Second Lien Obligations are junior to Liens securing the First Lien Obligations under this Agreement; and

(2) a superpriority or other administrative expense claim in connection with any DIP Financing or use of cash collateral that constitutes Collateral, then First Lien Agent agrees that Second Lien Agent shall also be entitled to seek, without objection from First Lien Agent, adequate protection in the form of a superpriority or other administrative expense claim (as applicable), which superpriority or other administrative expense claim, if obtained, shall be treated as Proceeds of Collateral for all purposes under this Agreement and shall be junior to the superpriority or other administrative expense claim of the First Lien Claimholders.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency Proceeding, in the event that the First Lien Agent, on behalf of itself or any of the First Lien Secured Parties, is granted adequate protection with respect to the Collateral in the form of (i) additional collateral (even if such collateral is not of a type which would otherwise have constituted Collateral), then the First Lien Agent, on behalf of itself and the First Lien Secured Parties, agrees that the Second Lien Agent, on behalf of itself or any of the Second Lien Secured Parties, may seek or request (and the First Lien Secured Parties will not oppose such

request) adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the First Lien Obligations on the same basis as the other Liens of the Second Lien Agent on the Collateral, or (ii) cash payments of interest and reasonable fees and expenses of the First Lien Parties in connection with their interests in the Collateral, then the Second Lien Agent, on behalf of itself or the other Second Lien Secured Parties, may seek or request cash payments of interest and reasonable fees and expenses of the Second Lien Secured Parties in connection with their interests in the Collateral, to the extent supported by a debtor-in-possession budget as agreed by the applicable debtor and the First Lien Agent (it being understood that the First Lien Agent will not object to the inclusion of such amounts in such debtor-in-possession budget).

(d) Neither the Second Lien Agent nor any Second Lien Secured Party shall oppose or seek to challenge any claim by the First Lien Agent or any First Lien Secured Party for allowance in any Insolvency Proceeding of First Lien Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien securing any First Lien Secured Party's claim, without regard to the existence of the Lien of the Second Lien Agent on behalf of the Second Lien Secured Parties on the Collateral.

(e) Neither the First Lien Agent nor any other First Lien Secured Party shall oppose or seek to challenge any claim by the Second Lien Agent or any Second Lien Secured Party for allowance in any Insolvency Proceeding of Second Lien Obligations consisting of post-petition interest, fees or expenses to the extent of the value of the Lien securing any Second Lien Secured Party's claim.

Section 6.4. Asset Sales. The Second Lien Agent agrees, on behalf of itself and the Second Lien Secured Parties, that it will not oppose on the grounds available to a secured creditor, any sale consented to by the First Lien Agent of any Collateral pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under any law applicable to any Insolvency Proceeding) so long as the Proceeds of such sale are applied in accordance with Section 4.1; provided that (i) the First Lien Agent has agreed to release the Liens securing the First Lien Obligations on such Collateral, (ii) the Second Lien Agent may request the Bankruptcy Court in the Insolvency Proceeding to grant the Second Lien Agent a Lien in the excess proceeds from such sale or disposition (and the First Lien Agent and the other First Lien Secured Parties shall not object thereto), (iv) the Second Lien Agent shall have had an opportunity to object to any bidding procedures motion filed in the Insolvency Proceeding and the sale is conducted in compliance with the bidding procedures approved by the Bankruptcy Court in such Insolvency Proceeding, (v) such motion does not impair the rights of the Second Lien Secured Parties under Section 363(k) of the Bankruptcy Code, and (vi) the conditions and requirements for the release of the Second Lien Secured Parties' Liens set forth in section 2.4 shall be satisfied.

Section 6.5. Separate Grants of Security and Separate Classification. Each Second Lien Secured Party and each First Lien Secured Party acknowledges and agrees that (i) the grants of Liens pursuant to the First Lien Security Documents and the Second Lien Security Documents constitute two separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Collateral, the Second Lien Obligations are fundamentally different from the First Lien Obligations and must be separately classified in any plan of

reorganization (or other plan of similar effect under any Debtor Relief Laws) proposed or adopted in an Insolvency 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 Lien Secured Parties and the Second Lien Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Lien Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of First Lien Obligation claims and Second Lien Obligation claims against the Loan Parties, with the effect being that, to the extent that the aggregate value of the Collateral is sufficient (for this purpose ignoring all claims held by the Second Lien Secured Parties), the First Lien Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of post-petition interest, fees, expense reimbursements and other claims that are available from the Collateral up to the Maximum First Lien Facility Amount, before any distribution is made in respect of the claims held by the Second Lien Secured Parties from the Collateral, with the Second Lien Secured Parties hereby acknowledging and agreeing to turn over to the First Lien Secured Parties payments from proceeds of the Collateral (other than reorganization securities) otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries of the Second Lien Secured Parties.

Section 6.6. Enforceability. This Agreement is intended to be a "subordination agreement" within the meaning of, and the provisions of this Agreement are intended to be and shall be enforceable under, Section 510(a) of the Bankruptcy Code.

Section 6.7. First Lien Obligations Unconditional. All rights of the First Lien Agent hereunder, and all agreements and obligations of the Second Lien Agent and the Loan Parties (to the extent applicable) hereunder, shall remain in full force and effect irrespective of any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Lien Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any First Lien Loan Document, in each case, in accordance with the terms hereof.

Section 6.8. Second Lien Obligations Unconditional. All rights of the Second Lien Agent hereunder, all agreements and obligations of the First Lien Agent and the Loan Parties (to the extent applicable) hereunder, shall remain in full force and effect irrespective of any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Second Lien Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Second Lien Loan Document, in each case, in accordance with the terms hereof.

Section 6.9. Reorganization Securities. Subject to the ability of the First Lien Secured Parties and the Second Lien Secured Parties, as applicable, to support or oppose confirmation or approval of any plan of reorganization as provided herein, if, in any Insolvency 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 Lien Obligations and on account of Second Lien Obligations, then, to the extent the debt obligations distributed on account of the First Lien Obligations and on account of the Second

Lien Obligations are secured by Liens upon the same property, the provisions of this Agreement will survive the distribution of such debt obligations pursuant to such plan and will apply with like effect to the debt obligations so distributed and to the Liens securing such debt obligations and the distribution of Proceeds thereof.

Section 6.10. Rights as Unsecured Creditors. Except as expressly provided in this Agreement, nothing contained herein shall affect the rights or claims of any Agent or any Secured Party as an unsecured creditor in any Insolvency Proceeding, and the Agents and the Secured Parties shall retain all such rights and claims (it being understood that the Secured Parties may not directly or indirectly exercise rights as an unsecured creditor which such Secured Party is expressly prohibited from exercising as a secured creditor hereunder or which are inconsistent with the terms of this Agreement).

ARTICLE 7.
PURCHASE OPTION

Section 7.1. Right to Purchase. Upon the occurrence and during the continuation of a Triggering Event, any one or more of the Second Lien Lenders (acting in their individual capacity or through one or more affiliates) shall have the right, but not the obligation, upon written notice from the Second Lien Agent on behalf of such Second Lien Lenders (a "**Purchase Notice**") to First Lien Agent to acquire from the First Lien Lenders all (but not less than all) of the right, title, and interest of the First Lien Lenders in and to the First Lien Obligations and the First Lien Loan Documents. The Purchase Notice, if given, shall be irrevocable. On the date specified by the Second Lien Agent in the Purchase Notice (which shall not be more than ten (10) Business Days after the receipt by First Lien Agent of the Purchase Notice), the First Lien Lenders shall sell to the purchasing Second Lien Lenders and the purchasing Second Lien Lenders shall purchase from the First Lien Lenders, the First Lien Obligations. During the period commencing on the date such notice is received by the First Lien Agent and ending on the date specified in such notice for the consummation of the purchase, the First Lien Agent shall not Exercise Any Secured Creditor Remedies without the consent of the Second Lien Agent (such consent not to be unreasonably withheld or delayed). For the avoidance of doubt, each Triggering Event shall be deemed to be an independent event and shall in each case independently trigger the right of the Second Lien Agent and the Second Lien Lenders to purchase all of the First Lien Obligations, notwithstanding the prior occurrence of another Trigger Event.

Section 7.2. Payments. On the date of such purchase and sale, the purchasing Second Lien Lenders shall:

(a) pay to First Lien Agent, for the benefit of the First Lien Lenders, as the purchase price therefor, the full amount of all the First Lien Obligations (other than (x) indemnification obligations for which no claim or demand for payment has been made at such time, and (y) First Lien Obligations cash collateralized in accordance with Section 7.2(b) below) then outstanding and unpaid;

(b) (i) furnish cash collateral to the First Lien Agent in such amounts as the First Lien Agent determines is reasonably necessary to secure the First Lien Agent and the First Lien Lenders (and their respective affiliates) in respect of any Cash Management Obligations (such cash collateral shall be applied to the reimbursement of Bank Product Obligations and Cash Management Obligations as and when such obligations become due and payable and, at such time as all of the Cash Management Obligations are paid in full, the remaining cash collateral held by First Lien Agent in respect of Cash Management Obligations shall be remitted to the Second Lien Agent for the benefit of the purchasing Second Lien Lenders), and (ii) furnish cash collateral to the First Lien Agent in such amounts as the First Lien Agent reasonably determines is necessary to secure the First Lien Agent and the First Lien Lenders in respect of any asserted claims, demands, actions, suits, proceedings, investigations, liabilities, fines, costs, penalties, or damages that are the subject of the indemnification provisions of the First Lien Credit Agreement (such cash collateral shall be applied to the reimbursement of such obligations as and when they become due and payable and, at such time as all of such obligations are paid in full, the remaining cash collateral held by First Lien Agent in respect of indemnification obligations shall be remitted to the Second Lien Agent for the benefit of the purchasing Second Lien Lenders), or make such other accommodations as are reasonably agreed between the First Lien Agent and the Second Lien Agent with respect to such obligations; and

(c) pay to First Lien Agent and the other First Lien Lenders the amount of all expenses that are reimbursable by the Loan Parties in accordance with the First Lien Loan Documents (including the reimbursement of reasonable attorneys' fees, field examination expenses, and appraisal fees).

Such purchase price and cash collateral shall be remitted by wire transfer of federal funds to such bank account of First Lien Agent as First Lien Agent may designate in writing to Second Lien Agent for such purpose. Interest shall be calculated to but excluding the Business Day on which such purchase and sale shall occur if the amounts so paid by the purchasing Second Lien Lenders to the bank account designated by First Lien Agent are received in such bank account prior to 2:00 p.m., Eastern time, and interest shall be calculated to and including such Business Day if the amounts so paid by the purchasing Second Lien Lenders to the bank account designated by First Lien Agent are received in such bank account later than 2:00 p.m., Eastern time.

Section 7.3. Documentation. Any such purchase under this Article 7 shall be effected by the execution and delivery of a customary form of assignment and acceptance agreement and shall be expressly made without representation or warranty of any kind by First Lien Agent and the other First Lien Lenders as to the First Lien Obligations so purchased, or otherwise, and without recourse to First Lien Agent or any other First Lien Secured Party, except that each First Lien Lender shall represent and warrant: (i) that the amount quoted by such First Lien Lender as its portion of the purchase price represents the amount shown as owing with respect to the claims transferred, and (ii) it owns, or has the full right, power and authority (not subject to any consent) to transfer to the purchasing Second Lien Lenders, the rights being transferred, free and clear of Liens.

Section 7.4. Retained Interest of First Lien Lenders. In the event that any one or more of the Second Lien Lenders exercises and consummates the purchase option set forth in this Article 7, the First Lien Lenders shall retain their indemnification rights under the First Lien Credit Agreement and shall, to the extent otherwise indemnified under the First Lien Credit Agreement by or on behalf of any Loan Party, promptly return any cash collateral held, or payment received and applied, by any of them, pursuant to Section 7.2, to the Second Lien Agent for distribution to the purchasing Second Lien Lenders, upon receipt thereof.

ARTICLE 8.
MISCELLANEOUS

Section 8.1. Rights of Subrogation. The Second Lien Agent, for and on behalf of itself and the Second Lien Secured Parties, agrees that no payment to the First Lien Agent or any First Lien Secured Party pursuant to the provisions of this Agreement shall entitle the Second Lien Agent or any Second Lien Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of First Lien Obligations shall have occurred. Following the Discharge of First Lien Obligations, the First Lien Agent agrees to execute such documents, agreements, and instruments as the Second Lien Agent or any Second Lien Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the First Lien Obligations resulting from payments to the First Lien Agent by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the First Lien Agent are paid by such Person upon request for payment thereof.

Section 8.2. Further Assurances. The Parties will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that either Party may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the First Lien Agent or the Second Lien Agent to exercise and enforce its rights and remedies hereunder; provided, however, that no Party shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 8.2, to the extent that such action would contravene any law, order or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such Party may interplead any payment or distribution in any court of competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 8.2.

Section 8.3. Representations. The Second Lien Agent represents and warrants to the First Lien Agent that it has the requisite power and authority under the Second Lien Loan Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the Second Lien Secured Parties and that this Agreement shall be binding obligations of the Second Lien Agent and the Second Lien Secured Parties, enforceable against the Second Lien Agent and the Second Lien Secured Parties in accordance with its terms. The First Lien Agent represents and warrants to the Second Lien Agent that it has the requisite power and authority under the First Lien Loan Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the First Lien Secured Parties and that this Agreement shall be binding obligations of the First Lien Agent and the First Lien Secured Parties, enforceable against the First Lien Agent and the First Lien Secured Parties in accordance with its terms.

Section 8.4. Amendments. No amendment, modification or waiver of any provision of this Agreement nor any consent to any departure by any Party hereto shall be effective unless (i) it is in a written agreement executed by the Second Lien Agent and the First Lien Agent, and (ii) to the extent that such amendment, modification, waiver or consent directly and adversely affects
the rights of the Borrower; provided, however, that this Agreement may be amended from time to time, without the consent of either Agent, to add additional Loan Parties, 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.

Section 8.5. Addresses for Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, sent electronically in PDF or similar format or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of a telecopy or electronic transmission or five (5) days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

First Lien Agent:	Bank of America, N. A. 100 Federal Street MA5 100 09-09 Boston, Massachusetts 02110 Attention: Stephen Garvin Stephen.garvin@baml.com
Second Lien Agent:	Wilmington Trust, N. A. Rodney Square North 1100 North Market Street Wilmington, DE 19890 Attention: Jennifer K. Anderson, Asst. Vice President Facsimile: (302) 636-4145 Telephone: (302) 636-5048 Email: jkanderson@wilmingtontrust.com
Borrower:	Restoration Hardware, Inc. 15 Koch Road, Suite J Corte Madera, California 94925 Attention: Jack Preston Facsimile: (415) 927-9133 Telephone: (415) 945-3535 Email: jp@rh.com

Section 8.6. No Waiver; Remedies. No failure on the part of any Party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 8.7. Continuing Agreement, Transfer of Secured Obligations. This Agreement is a continuing agreement and shall (a) remain in full force and effect until the Discharge of First Lien Obligations and the Discharge of Second Lien Obligations shall have occurred, (b) be binding upon the Parties and their successors and assigns, and (c) inure to the benefit of and be enforceable by the Parties and their respective successors, transferees and assigns. Nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. All references to any Loan Party shall include any Loan Party as debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding. Without limiting the generality of the foregoing clause (c), the First Lien Agent, any First Lien Secured Party, the Second Lien Agent, or any Second Lien Secured Party may assign or otherwise transfer all or any portion of the First Lien Obligations or the Second Lien Obligations, as applicable, to any other Person (other than the Borrower, any Guarantor or any subsidiary or Affiliate of the Borrower or any Guarantor), and such other Person shall thereupon become vested with all the rights and obligations in respect thereof granted to the First Lien Agent, the Second Lien Agent, any First Lien Secured Party, or any Second Lien Secured Party, as the case may be, herein or otherwise. The First Lien Secured Parties and the Second Lien Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, any Loan Party on the faith hereof.

Section 8.8. Governing Law; Entire Agreement. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. This Agreement constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect thereto.

Section 8.9. Counterparts. This Agreement may be executed in any number of counterparts, and it is not necessary that the signatures of all Parties be contained on any one counterpart hereof, each counterpart will be deemed to be an original, and all together shall constitute one and the same document.

Section 8.10. No Third Party Beneficiaries. This Agreement is solely for the benefit of the First Lien Agent, the First Lien Secured Parties, the Second Lien Agent and the Second Lien Secured Parties. No other Person (including the Borrower, any Guarantor or any Affiliate of the Borrower or any Guarantor, or any subsidiary of the Borrower or any Guarantor) shall be deemed to be a third party beneficiary of this Agreement.

Section 8.11. Headings. The headings of the articles and sections of this Agreement are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

Section 8.12. Severability. If any of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and shall not invalidate the Lien Priority or the application of Proceeds and other priorities set forth in this Agreement.

Section 8.13. VENUE; JURY TRIAL WAIVER.

(a) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE SUPREME COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF (OR IF THE APPLICABLE LOAN PARTY IS THEN SUBJECT TO AN INSOLVENCY PROCEEDING, THE NON-EXCLUSIVE JURISDICTION OF SUCH BANKRUPTCY COURT HAVING JUISDICTION OVER SUCH LOAN PARTY), IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN NEW YORK STATE OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT (OR BANKRUPTCY COURT, IF APPLICABLE). EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT ANY FIRST LIEN SECURED PARTY OR ANY SECOND LIEN SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, ANY FIRST LIEN LOAN DOCUMENTS, OR ANY SECOND LIEN LOAN DOCUMENTS AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) EACH PARTY HERETO HEREBY WAIVES ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(c) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.5. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

Section 8.14. Intercreditor Agreement. This Agreement is the Intercreditor Agreement referred to in the First Lien Credit Agreement and the ABL Intercreditor Agreement referred to in the Second Lien Credit Agreement. Nothing in this Agreement shall be deemed to subordinate the obligations due to (i) any First Lien Secured Party to the obligations due to any Second Lien Secured Party or (ii) any Second Lien Secured Party to the obligations due to any First Lien Secured Party (in each case, whether before or after the occurrence of an Insolvency Proceeding), it being the intent of the Parties that this Agreement shall effectuate a subordination of Liens but not a subordination of indebtedness.

Section 8.15. No Warranties or Liability. The Second Lien Agent and the First Lien Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other First Lien Loan Document or any Second Lien Loan Document. Except as otherwise provided in this Agreement, the Second Lien Agent and the First Lien Agent will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

Section 8.16. Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any First Lien Loan Document or any Second Lien Loan Document, the provisions of this Agreement shall govern.

Section 8.17. Information Concerning the Loan Parties. Each of the Second Lien Agent and the First Lien Agent hereby assumes responsibility for keeping itself informed of the financial condition of the Loan Parties and all other circumstances bearing upon the risk of non-payment of the First Lien Obligations or the Second Lien Obligations. The Second Lien Agent and the First Lien Agent hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Second Lien Agent or the First Lien Agent, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, (a) it shall be under no obligation (i) to provide any such information to such other party or any other party on any subsequent occasion except as required pursuant to Section 3.3, (ii) to undertake any investigation not a part of its regular business routine, or (iii) to disclose any other information, or (b) it makes no representation as to the accuracy or completeness of any such information and shall not be liable for any information contained therein, and (c) the Party receiving such information hereby to hold the other Party harmless from any action the receiving Party may take or conclusion the receiving Party may reach or draw from any such information, as well as from and against any and all losses, claims, damages, liabilities, and expenses to which such receiving Party may become subject arising out of or in connection with the use of such information.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the First Lien Agent, for and on behalf of itself and the First Lien Lenders, and the Second Lien Agent, for and on behalf of itself and the Second Lien Lenders, have caused this Agreement to be duly executed and delivered as of the date first above written.

BANK OF AMERICA, N.A., in its capacity as the First Lien Agent

By: /s/ Stephen J. Garvin
Name: Stephen J. Garvin
Title: Managing Director

WILMINGTON TRUST, N.A., in its capacity as the Second Lien Agent

By: /s/ Jennifer Anderson
Name: Jennifer Anderson
Title: Assistant Vice President

ACKNOWLEDGMENT

The Borrower and each Guarantor hereby acknowledges that it has received a copy of this Agreement and consents thereto, agrees to recognize all rights granted thereby to the First Lien Agent, the First Lien Secured Parties, the Second Lien Agent, and the Second Lien Secured Parties and will not do any act or perform any obligation which is not in accordance with the agreements set forth in this Agreement. The Borrower and each Guarantor further acknowledges and agrees that it is not an intended beneficiary or third party beneficiary under this Agreement and (i) as between the First Lien Secured Parties, the Borrower and the Guarantors, the First Lien Loan Documents remain in full force and effect as written and are in no way modified hereby, and (ii) as between the Second Lien Secured Parties, the Borrower and the Guarantors, the Second Lien Loan Documents remain in full force and effect as written and are in no way modified hereby.

RESTORATION HARDWARE, INC.,

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

RH US, LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

WATERWORKS OPERATING CO., LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Treasurer and Secretary

WATERWORKS IP CO., LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Treasurer and Secretary

RH YOUNTVILLE, INC., as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: President and Treasurer

RHM, LLC, as a Guarantor

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary

RESTORATION HARDWARE CANADA, INC.

By: /s/ Karen Boone
Name: Karen Boone
Title: Co-President, Chief Financial and Administrative Officer, Treasurer and Secretary