Docket #0721 Date Filed: 11/30/2015

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
COLT HOLDING COMPANY LLC, *et al*.,[1]	:	Case No. 15-11296 (LSS)
Debtors.	:	Jointly Administered

FIRST NOTICE OF FILING OF PLAN SUPPLEMENT PURSUANT TO DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

PLEASE TAKE NOTICE that on November 10, 2015, the above-captioned debtors and debtors in possession (the "**Debtors**") filed solicitation versions of the *Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 675] (as amended, supplemented, or otherwise modified, the "**Plan**") and the *Disclosure Statement for the Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 678, 688] (as amended, supplemented, or otherwise modified, the "**Disclosure Statement**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that the Plan and Disclosure Statement contemplate the submission of certain documents (or forms thereof), schedules, and exhibits (the

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are Colt Holding Company LLC (0094); Colt Security LLC (4276); Colt Defense LLC (1950); Colt Finance Corp. (7687); New Colt Holding Corp. (6913); Colt's Manufacturing Company LLC (9139); Colt Defense Technical Services LLC (8809); Colt Canada Corporation (5534); Colt International Coöperatief U.A. (6822); and CDH II Holdco Inc. (1782). The address of the Debtors' corporate headquarters is: 547 New Park Avenue, West Hartford, Connecticut 06110.

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"**Plan Supplement**") in advance of the hearing on confirmation of the Plan (the "**Confirmation Hearing**").

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file the following Plan Supplement documents:

- **Exhibit A** Senior Loan Exit Credit Agreement
- **Exhibit B** Term Loan Exit Credit Agreement
- **Exhibit C** Third Lien Exit Credit Agreement
- **Exhibit D** Fourth Lien Note
- **Exhibit E** Fourth Lien Note Indenture
- **Exhibit F** Offering Procedures
- **Exhibit G** Contracts to Be Rejected Pursuant to Section 8 of the Plan

PLEASE TAKE FURTHER NOTICE that the Debtors will file the remainder of the documents that comprise the Plan Supplement on or before December 2, 2015.

PLEASE TAKE FURTHER NOTICE that the forms of the documents contained in the Plan Supplement are integral to, and are considered part of, the Plan. If the Plan is confirmed, the documents contained in the Plan Supplement will be approved by the Bankruptcy Court pursuant to the order confirming the Plan.

PLEASE TAKE FURTHER NOTICE that the Debtors reserve the right to alter, amend, modify, or supplement any of the documents contained in the Plan Supplement in accordance with the terms of the Plan, and the Debtors, the other parties to the Restructuring Support Agreement, and the Official Committee of Unsecured Creditors reserve all rights with respect to the final forms of all documents contained in the Plan Supplement. If any document in the Plan Supplement is altered, amended, modified, or supplemented in any material respect

prior to the Confirmation Hearing, the Debtors will file a blackline of such document with the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that the Plan Supplement, Plan, and Disclosure Statement may be viewed for free at the website of the Debtors' claims and noticing agent, Kurtzman Carson Consultants LLC ("**KCC**") at http://www.kccllc.net/coltdefense or for a fee on the Bankruptcy Court's website at http://www.deb.uscourts.gov. To obtain hard copies of the Plan Supplement, Plan, or Disclosure Statement, please contact KCC by telephone for U.S. callers at +1 (888) 251-3076 (toll free) and for international callers at +1 (310) 751-2617 (caller paid).

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing will be held before the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge, in Courtroom 2 of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 6th Floor, Wilmington, Delaware 19801, on **December 16, 2015, at 9:00 a.m. (Eastern Standard Time)**. Please be advised that the Confirmation Hearing may be continued from time to time by the Bankruptcy Court without further notice.

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Dated: November 29, 2015
Wilmington, Delaware

/s/ Joseph C. Barsalona II

RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Jason M. Madron (No. 4431)
Joseph C. Barsalona II (No. 6102)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

- and -

O'MELVENY & MYERS LLP
John J. Rapisardi (admitted *pro hac vice*)
Peter Friedman (admitted *pro hac vice*)
Joseph Zujkowski (admitted *pro hac vice*)
Times Square Tower
Seven Times Square
New York, New York 10036

Attorneys for the Debtors and Debtors in Possession

Exhibit A

Senior Loan Exit Credit Agreement

SENIOR SECURED CREDIT AGREEMENT

by and among

COLT DEFENSE LLC,

as US Borrower,

COLT CANADA CORPORATION,

as Canadian Borrower,

THE SUBSIDIARIES AND AFFILIATES OF COLT DEFENSE LLC

NAMED AS GUARANTORS HEREIN,

as Guarantors,

THE LENDERS THAT ARE SIGNATORIES HERETO,

as the Lenders

and

CANTOR FITZGERALD SECURITIES,

as Agent

Dated as of December [28], 2015

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EXHIBITS AND SCHEDULES

SENIOR SECURED CREDIT AGREEMENT

THIS SENIOR SECURED CREDIT AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), is entered into as of December [28], 2015, by and among

(i) the lenders identified on the signature pages hereof (each of such lenders, together with their respective successors and permitted assigns, are referred to hereinafter as a "Lender", as that term is hereinafter further defined);

(ii) CANTOR FITZGERALD SECURITIES, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent");

(iii) COLT DEFENSE LLC, a Delaware limited liability company, as a borrower ("Colt US") and COLT CANADA CORPORATION, a Nova Scotia unlimited company, as a borrower ("Colt Canada", and together with Colt US, each individually, a "Borrower" and, collectively, "Borrowers"); and

(iv) COLT HOLDING COMPANY LLC, a Delaware limited liability company, as a guarantor ("Parent"), COLT SECURITY LLC, a Delaware limited liability company, as a guarantor ("Colt Security"), COLT FINANCE CORP., a Delaware corporation, as a guarantor ("Colt Finance"), NEW COLT HOLDING CORP., a Delaware corporation, as a guarantor ("New Colt"), COLT'S MANUFACTURING COMPANY LLC, a Delaware limited liability company, as a guarantor ("Colt's Manufacturing"), COLT DEFENSE TECHNICAL SERVICES LLC, a Delaware limited liability company, as a guarantor ("CDTS"), CDH II HOLDCO INC., a Delaware corporation, as a guarantor ("CDH II"), COLT'S MANUFACTURING IP HOLDING COMPANY LLC, a Delaware limited liability company, as a guarantor ("US IP Holdco"), COLT CANADA IP HOLDING COMPANY, a Nova Scotia unlimited company, as a guarantor ("Canada IP Holdco", together with US IP Holdco, each individually, an "IP Holdco", and, collectively, the "IP Holdcos") and COLT INTERNATIONAL COÖPERATIEF U.A., a cooperative organized under the laws of the Netherlands registered with the trade register of the Chamber of Commerce in the Netherlands under number 56651317, as a guarantor ("Colt Netherlands", and, together with Parent, Colt Security, Colt Finance, New Colt, Colt's Manufacturing, CDTS, CDH II, the IP Holdcos and any other Guarantor party hereto from time to time, each individually, a "Guarantor" and, collectively, "Guarantors" as hereinafter further defined, and together with the Borrowers, the "Loan Parties" as hereinafter further defined).

WHEREAS, on June 14, 2015 (the "Petition Date") certain of the Loan Parties filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and commenced a jointly administered case under Case No. 15-11296 (LSS) ("Chapter 11 Cases");

WHEREAS, on June 17, 2015, Colt Holding Company LLC, as the foreign representative on behalf of certain of the Loan Parties, commenced a recognition proceeding under Part IV of the CCAA in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") to recognize in Canada, the Chapter 11 Cases as foreign main or non-main proceedings (the "CCAA Recognition Proceedings");

WHEREAS, certain of the Loan Parties are party to that certain First Amended and Restated Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of June 24, 2015 (as amended by that certain First Amendment to First Amended and Restated Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of July 10, 2015, that certain Second Amendment to First Amended and Restated Senior Secured Super-Priority Debtor-in-Possession Credit Agreement dated as of November 5, 2015, and as further amended, restated, supplemented or otherwise modified prior to the date hereof, the "Senior DIP Agreement") by and among the borrowers party thereto (the "DIP Borrowers"), the guarantors party thereto (the "DIP Guarantors", and, together with the DIP Borrowers, the "DIP Loan Parties"), the lenders party thereto (the "DIP Lenders"), Cortland Capital Market Services LLC, as agent ("DIP Agent"), and pursuant to the Senior DIP Agreement and the Bankruptcy Court order captioned "Final Order: (I) Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507 Authorizing the Debtors to (A) Obtain Postpetition Financing, (B) Grant Senior Liens and Superpriority Administrative Expense Status, (C) Use Cash Collateral of Prepetition Secured Parties, and (D) Grant Adequate Protection to Prepetition Secured Parties; and (II) Granting Related Relief" as entered by the Bankruptcy Court on July 10, 2015 and modified on November 5, 2015, the DIP Lenders made loans to the DIP Borrowers, which were guaranteed by the DIP Guarantors;

WHEREAS, in connection with the Chapter 11 Cases, the Bankruptcy Court confirmed the second amended joint plan of reorganization (as such plan may be modified from time to time, in accordance with its terms, the "Plan of Reorganization") under title 11 of the United States Code, as in effect from time to time (the "Bankruptcy Code") pursuant to a confirmation order dated December [16], 2015 with such confirmation order being subsequently recognized by the Canadian Court (such orders, collectively, the "Confirmation Order");

WHEREAS, pursuant to the Plan of Reorganization, the Borrowers have requested that the Lenders provide a senior secured term loan facility to Borrowers in an aggregate principal amount of $40,000,000 (which, when taken together with a paydown of $7,500,000 to be made by Borrowers on the Closing Date from a portion of the proceeds of the Third Lien Credit Agreement (as defined below) (the "Paydown")) shall refinance the Senior DIP Agreement; and

WHEREAS, pursuant to the Plan of Reorganization, the Borrowers and Guarantors shall enter into the Term Loan Documents, the proceeds of which shall be used to refinance the Existing Term Loan DIP Facility and the Prepetition Term Loan Agreement;

WHEREAS, pursuant to the Plan of Reorganization, the Borrowers and Guarantors shall enter into the Third Lien Loan Documents, pursuant to which (i) the Borrowers shall borrow $50,000,000 from the lenders thereunder, the proceeds of which shall be used to pay transaction fees, costs and expenses, provide working capital and fund certain obligations of the reorganized debtors under the confirmed Plan of Reorganization, and (ii) from time to time following the consummation of the Plan of Reorganization, Borrowers may borrow up to an additional $5,000,000 (the "Additional Permitted Holder Amount") pursuant to the Third Lien Loan Documents from the lenders thereunder, the proceeds of which may be used to fund Cure Amounts, a portion of the purchase price for the facility underlying the West Hartford Lease or for general working capital purposes;

WHEREAS, pursuant to the Plan of Reorganization, the Borrowers and Guarantors shall enter into the Fourth Lien Note Documents, pursuant to which the Borrowers shall incur up to $7,000,000 in the aggregate of Indebtedness and issue one or more notes evidencing such Indebtedness to certain Persons as distributions on account of claims as settled in the Chapter 11 Cases and as set forth in the confirmed Plan of Reorganization; and

WHEREAS, the Lenders have indicated their willingness to provide the Loan for such purposes on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 **Definitions**. Capitalized terms used in this Agreement shall have the meanings specified therefor on Schedule 1.1.

1.2 **Accounting Terms**. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent as filed with the Disclosure Statement; provided, however, that (a) upon the adoption by Parent of IFRS as required by Parent's independent certified public accountants and notification by Administrative Borrower to Agent of such adoption (the "IFRS Adoption") or (b) if Administrative Borrower notifies Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Administrative Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such the IFRS Adoption or Accounting Change or in the application thereof, then Agent, at the direction of the Required Lenders, and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such IFRS Adoption or Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such IFRS Adoption or Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement, including the covenants, shall be calculated in accordance with GAAP as in effect, and as applied by Parent and its Subsidiaries as if no such IFRS Adoption or Accounting Change had occurred. In the case of the IFRS Adoption or the Accounting Change, until such covenants are amended in a manner satisfactory to Parent, Agent and the Required Lenders (i) all calculations made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence immediately prior to such adoption and (ii) financial statements delivered pursuant to Section 5.1 shall be accompanied by a reconciliation showing the adjustments made to calculate such financial ratios and financial covenants.

Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that does not include any qualification, explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" or "Borrowers" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. For purposes of calculations pursuant to the terms of this Agreement, GAAP will be deemed to treat operating leases in a manner consistent with the current treatment under GAAP as in effect on the Closing Date, notwithstanding any modification or interpretive changes thereto that may occur hereafter.

1.3 **Code**. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein and any terms used in this Agreement that are defined in the PPSA and pertaining to Collateral consisting of assets of any Canadian Loan Party (excluding any tangible assets of any Canadian Loan Party which are located in the United States of America in which case such terms shall be construed and defined as set forth in the Code) shall be construed and defined as set forth in the PPSA unless otherwise defined herein; provided, however, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 **Construction**. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are 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 or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, restatements, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, restatements, replacements, substitutions, joinders, and supplements set forth herein). 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. Any reference herein to any Person shall be construed to include such Person's successors and assigns. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 14.1

or is cured if such Event of Default is capable of being cured as permitted hereunder, in accordance with the terms of the Cure Right provided for in Section 8 hereof. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations, the Secured Obligations (as defined in the Security Documents) or the Guarantied Obligations (as defined in the applicable Guaranty) shall mean the repayment in full in cash or immediately available funds of all of the Obligations other than unasserted indemnification Obligations; and the satisfactory provision for payment of such unasserted Obligations to the extent they may reasonably become asserted and payable. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided, that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day. Unless the context of this Agreement or any other Loan Document clearly requires otherwise or the Required Lenders otherwise determine, amounts expressed in US Dollars at any time when used with respect to Foreign Subsidiaries or similar matters shall be deemed to mean the US Dollar Equivalent of such amounts at such time.

1.5 **Schedules and Exhibits**. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

1.6 **Pro Forma and Other Calculations**.

(a) Notwithstanding anything to the contrary herein and except as expressly provided in Section 7, financial ratios and tests, including Consolidated EBITDA, the Fixed Charge Coverage Ratio and any other requirement herein to determine pro forma compliance, shall be calculated in the manner prescribed by this Section 1.6. In addition, whenever a financial ratio or test is to be calculated on a pro forma basis, the reference to "four consecutive fiscal quarters" for purposes of calculating such financial ratio or test shall be deemed to be a reference to, and shall be determined based on, the most recently ended twelve (12) fiscal month period.

(b) For purposes of calculating any financial ratio or test, Specified Transactions (including, with any incurrence or repayment of any Indebtedness in connection therewith to be subject to clause (d) of this Section 1.6) that have been made (i) during the applicable period or (ii) if applicable as described in clause (a) above, subsequent to such period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable period. If, since the beginning of any applicable period, any Person that subsequently became a Subsidiary or was merged, amalgamated or consolidated with or into Parent or any of its Subsidiaries since the beginning of such period as a result of a Specified Transaction that would have required adjustment pursuant to this Section 1.6, then such financial ratio or test shall be calculated to give pro forma effect thereto in accordance with this Section 1.6.

(c) Whenever pro forma effect is to be given to any Specified Transaction, the

pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Parent, which shall include any adjustments that would be required to be included in a Registration Statement on Form S-1 in accordance with Article 11 of Regulation S-X promulgated under the Securities Act; provided, however, that, without the prior written consent of the Required Lenders, no such pro forma calculations shall include any cost savings, operating expense reductions, synergies or other similar items.

(d) In the event that (x) Parent or any Subsidiary of Parent incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and any related commitment thereof terminated and not replaced), or (y) Parent or any Subsidiary of Parent issues, repurchases or redeems Disqualified Equity Interests, in each case, included in the calculations of any financial ratio or test, (i) during the applicable period or (ii) subsequent to the end of the applicable period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, or such issuance or redemption of Disqualified Equity Interests, in each case to the extent required, as if the same had occurred on the last day of the applicable period (except in the case of Consolidated EBITDA and the Fixed Charge Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Equity Interests will be given effect, as if the same had occurred on the first day of the applicable period). Notwithstanding the foregoing or any other provision contained in the Loan Documents, with respect to the repayment or redemption of Indebtedness with the proceeds of an Excluded Issuance, such repayment or redemption shall be disregarded for all purposes under this Agreement, including the calculation of any financial covenants or ratios and, for the avoidance of doubt, Sections 7.1 and 7.2, until Parent has delivered the financial information required under Section 5.1 for the first full fiscal quarter of Parent ending after the fiscal quarter in which such repayment or redemption was made.

(e) If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of Consolidated EBITDA or the Fixed Charge Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness permitted by this Agreement). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of Parent to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as Parent or its Subsidiary may designate.

2. LOANS AND TERMS OF PAYMENT.

2.1 **Loan**.

(a) Subject to the terms and conditions of this Agreement (including, without limitation, Sections 3.1, 3.2 and 3.3) on the Closing Date, each Lender with a Loan Commitment agrees (severally, not jointly or jointly and severally) to make a senior secured term loan to the Borrowers (collectively, the "Loan") in an amount equal to such Lender's ratable share of the aggregate Loan Commitments of $40,000,000; provided, however, that DIP Lenders party to the Senior DIP Agreement that are also Lenders having Loan Commitments under this Agreement may, in their sole and absolute discretion, fund all or a portion of their ratable share of the aggregate Loan Commitments by exchanging, on the Closing Date, the loans and other amounts owing to them under the Senior DIP Agreement for their ratable share of the Loans hereunder instead of advancing new funds to Borrowers on the Closing Date. Each Loan shall be a US Dollar Denominated Loan and shall be used solely for the purposes set forth in Sections 4.26 and 6.15.

(b) Each Loan made by each Lender shall be evidenced by this Agreement and, if requested by a Lender, a Note payable to such Lender or its registered assigns in the original principal amount of such Loan.

(c) The outstanding unpaid principal balance of, and all accrued and unpaid interest on, the Loan and all other outstanding Obligations shall be due and payable on the earlier of (i) the Maturity Date and (ii) the date of the acceleration of the Loan in accordance with the terms hereof. Any principal amount of the Loan that is repaid or prepaid may not be re-borrowed. All principal of, interest on, and other amounts payable in respect of the Loan, including any premiums, fees, expenses or other additional amounts owed, shall constitute Obligations hereunder.

2.2 **Payments; Reductions of Loan Commitments; Prepayments**.

(a) **Payments by Borrowers**.

(i) Except as otherwise expressly provided herein, all payments by any Borrower shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds, no later than 11:00 a.m. (New York time) on the date specified herein. Any payment received by Agent later than 11:00 a.m. (New York time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Administrative Borrower prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the interest rate then applicable to the Loan for each day from the date such amount is distributed to such Lender until the date repaid.

(b) **Apportionment and Application**.

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein, including with respect to Defaulting Lenders, and subject to Section 17.19 of this Agreement, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) entitled to such payments and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account) shall be apportioned ratably among the Lenders according to their Pro Rata Share. All payments to be made hereunder by Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing, to repay the balance of the Loan outstanding, and, thereafter, to Borrowers (to be wired to a Designated Account) or such other Person entitled thereto under applicable law (subject to Section 2.2(b)(v) and Section 2.2(e)).

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders and subject to Section 17.19 of this Agreement, all payments remitted to Agent in respect of the Obligations and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any fees then due to Agent under the Loan Documents until paid in full,

(C) third, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full,

(D) fourth, ratably, to pay any fees (including any fees, premiums and penalties specified in Section 2.7) then due to any of the Lenders under the Loan Documents until paid in full,

(E) fifth, ratably, to pay interest due in respect of the Loan until paid in full,

(F) sixth, ratably, to Agent, for the account of Lenders, to pay the principal of the Loan until paid in full,

(G) seventh, to pay any other Obligations (other than Obligations owed to Defaulting Lenders) until paid in full,

(H) eighth, ratably to pay any Obligations owed to Defaulting Lenders,

(I) ninth, to be held by Agent as security for any unasserted or

contingent obligations that may reasonably be expected to become due, and

(J) tenth, to Borrowers (to be wired to the Designated Account) or such other Person entitled thereto under applicable law.

(iii) In each instance, so long as no Application Event has occurred and is continuing, Section 2.2(b)(i) shall not apply to any payment made by any Borrower to Agent and specified by such Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(iv) For purposes of Section 2.2(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, whether or not any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(v) In the event of a direct conflict between the priority provisions of this Section 2.2 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, then the terms and provisions of this Section 2.2 shall control and govern, subject to Section 17.19 of this Agreement.

(c) **Reduction of Loan Commitments**. The Loan Commitments of each Lender shall terminate upon the making (or deemed making, as the case may be) of such Lender's portion of the Loan on the Closing Date. Notwithstanding the foregoing, all of the Loan Commitments shall automatically terminate at 5:00 p.m., New York time, on December [28], 2015 if the Closing Date shall have not occurred by such time.

(d) **Optional Prepayments**.

(i) **Loan**. The Borrowers may, at any time and from time to time, upon written notice delivered to Agent by 11:00 a.m., New York City time, not less than five (5) Business Days prior to the date of such prepayment (or such shorter period as the Required Lenders may agree to in their sole discretion), prepay the principal of the Loan, in whole or in part. Each prepayment made pursuant to this Section 2.2(d)(i) shall be (1) accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and the payment of any premiums or penalties required by Section 2.7(c), (2) in a minimum amount of $500,000, or the remaining balance of the Obligations, if less, and, for the avoidance of doubt, and (3) accompanied by the Applicable Prepayment Premium. For the avoidance of doubt, the amount which the Borrowers pay to Agent pursuant to this Sections 2.2(d) shall be required to include an amount equal to the Applicable Prepayment Premium.

(ii) **Optional Prepayment Notice**. Each notice of a prepayment pursuant to this Section 2.2(d) shall specify the prepayment date and the principal amount of the Loan (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrowers to prepay the Loan by the amount stated therein on the date stated therein. All prepayments under

this Section 2.2(d) shall be subject to Sections 2.7 and 2.8.

(e) **Mandatory Prepayments.**

(i) **Dispositions**. Within five (5) Business Days of the date of receipt by any Loan Party or any of its Subsidiaries of the Net Cash Proceeds of any voluntary or involuntary sale, Casualty Event, or other form of disposition by any Loan Party or any of its Subsidiaries of assets (excluding (x) IP License Proceeds that otherwise are subject to prepayment under Section 2.2(e)(vi) or sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b), (c), (e), (i) (except to the extent constituting an IP License), (j), (m) or (n) (to the extent relating to Permitted Investments of the type described under clause (a) of the definition thereof) of the definition of Permitted Dispositions and (y) any single sale or disposition (including any Casualty Event) or series of related sales or dispositions for which the aggregate amount of Net Cash Proceeds received from such sales or dispositions or series of related sales or dispositions does not exceed an aggregate amount of $500,000 from the Closing Date), Borrowers shall prepay the outstanding Obligations and apply such proceeds in accordance with Section 2.2(f) in an amount equal to 100% of such Net Cash Proceeds (including in connection with a Casualty Event) received by such Person; provided, that on or prior to the date when such prepayment is payable, the Administrative Borrower may deliver to the Agent a Reinvestment Notice so long as, at such time, there is no Default or Event of Default that has occurred and is continuing and the Administrative Borrower shall have deposited such proceeds otherwise required to be prepaid with the Agent in a Designated Account. In the event that the Administrative Borrower timely shall have delivered a Reinvestment Notice and deposited the applicable proceeds in accordance with the foregoing, then (x) the Borrowers shall not be required to make a prepayment of the amount subject to the Reinvestment Notice, but may instead reinvest, within sixty (60) days, or, if any Loan Party shall have entered into a binding commitment to reinvest such proceeds, within sixty (60) days such date may be extended by an additional sixty (60) days, to the extent of the amount subject to such commitment, after delivery of such Reinvestment Notice, an amount not to exceed the aggregate amount of $5,000,000 from the Closing Date for reinvestment in one or more assets used or useful in the business of the Parent and its Subsidiaries (other than cash or Cash Equivalents) (provided, that, if the Net Cash Proceeds were received on account of Senior Priority Collateral, then any reinvestment must be in assets that constitute Senior Priority Collateral and if the Net Cash Proceeds were received on account of an event applicable to a Loan Party, then any reinvestment may be only by a Loan Party) and (y) on any Reinvestment Prepayment Date an amount equal to the amount of the proceeds subject to the Reinvestment Notice, to the extent not reinvested in accordance with the terms contained herein, shall be applied toward the prepayment of the Obligations in accordance with Section 2.2(f), less the amount equal to the Applicable Prepayment Premium that was in effect on the date when the proceeds first were deposited in the Designated Account. The amount deducted from any prepayment required hereunder shall be utilized to satisfy any Applicable Prepayment Premium, which premium payment amount shall be paid immediately to the Agent for the benefit of the Lenders and shall not reduce the balance of the Loans outstanding. To the extent the disposition is of Term Priority Collateral, the Net Cash Proceeds (as defined in the Term Loan Agreement) therefrom not reinvested shall be used to repay outstanding loans under the Term Loan Agreement. Nothing contained in this Section 2.2(e)(i) shall permit any Loan Party or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.5.

(ii) **Extraordinary Receipts**. Within five (5) Business Days of the date of receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts, Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable and documented expenses directly incurred in collecting such Extraordinary Receipts.

(iii) **Indebtedness and Equity Issuances**. Within five (5) Business Days of the date of incurrence or issuance by any Loan Party or any of its Subsidiaries of any Indebtedness (other than Permitted Indebtedness) or issuance of Equity Interests (other than (i) Net Cash Proceeds used to provide a Cure Amount, (ii) in the event that all or a portion of the Additional Permitted Holder Amount is funded through equity contributions rather than pursuant to the Third Lien Loan Documents, such Additional Permitted Holder Amount, or (iii) any other Excluded Issuance) Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence or issuance. The provisions of this Section 2.2(e)(iii) shall not be deemed to be implied consent to any such incurrence or issuance otherwise prohibited by the terms of this Agreement.

(iv) **Change of Control**. Borrowers shall immediately prepay the outstanding Obligations in full in the event that a Change of Control shall have occurred.

(v) **Excess Cash Flow**. Within five (5) Business Days after the annual financial statements are required to be delivered pursuant to Section 5.1 hereof, commencing with such annual financial statements for the fiscal year ending December 31, 2016, the Borrower shall deliver to Agent a written calculation of Excess Cash Flow of Parent and its Subsidiaries on a consolidated basis for such Fiscal Year certified as correct in all material respects on behalf of the Loan Parties by a Responsible Officer of the Borrower and concurrently therewith shall deliver to Agent, for distribution to the Lenders, an amount equal to [seventy-five percent (75%) of such Excess Cash Flow (unless Consolidated EBITDA for the applicable trailing twelve month period exceeds $35,000,000, then fifty percent (50%))], for application to the Loan in accordance with the provisions of Section 2.2(f) hereof; provided, however, the amount required to be prepaid in accordance with the foregoing shall be reduced dollar-for-dollar by the amount of any voluntary prepayments of the Loan made by Borrowers during such fiscal year pursuant to Section 2.2(d) so long as there is no related or resulting increased availability of Loans; provided further however that any otherwise applicable payment under this Section 2.2(e)(v) shall be reduced or eliminated, as the case may be, to the extent that the payment of such amount shall result in Borrower's non-compliance with the financial test set forth in Section 7.1 after giving pro forma effect to the payment of such amount for the next twelve (12) calendar months as determined by Required Lenders in consultation with Borrower. Any mandatory prepayment made pursuant to this Section 2.2(e)(v) shall not constitute a Waivable Mandatory Prepayment pursuant to Section 2.2(e)(vii) below and shall not be waived by the Lenders without the prior written consent of the Term Loan Agent and Term Loan Lenders.

(vi) **IP License Proceeds**. Within five (5) Business Days of the date of receipt by Parent or any of its Subsidiaries of any IP License Proceeds, the Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 75% of such IP License Proceeds, provided that (x) such percentage shall be reduced to 50% if the Consolidated

EBITDA of the Parent and its Subsidiaries for the last twelve (12) month period for which financial statements have been delivered in accordance with Section 5.1 is greater than $35,000,000 and (y) no prepayment shall be required unless the aggregate amount of all such IP License Proceeds exceeds $10,000,000 following the Closing Date; provided further, that all IP License Proceeds shall be deposited into the IP Proceeds Account until the Borrowers have determined, in the ordinary conduct of the Loan Parties' business, to use such proceeds subject to the requirements of Section 6.23(b) of the Agreement. Notwithstanding the foregoing, at all times when the Term Loan Debt remains outstanding and is in effect, no mandatory prepayment of the Obligations shall be due under this Section 2.2(e)(vi). For the avoidance of doubt, IP License Proceeds subject to prepayment shall be reduced by an amount equal to the Applicable Prepayment Premium, which amount shall not be required to be deposited into the IP Proceeds Account but, instead, shall be required to be paid to the Agent for the benefit of the Lenders, and such premium amount shall not reduce the balance of the Loans outstanding.

(vii) **Waivable Mandatory Prepayments**. Anything contained herein to the contrary notwithstanding, in the event Borrowers are required to make any mandatory prepayment (a "Waivable Mandatory Prepayment") of the Loan pursuant to this Section 2.2(e) (except for any mandatory payment made pursuant to Section 2.2(e)(v)), not less than five (5) Business Days prior to the date (the "Required Prepayment Date") on which Borrowers are required to make such Waivable Mandatory Prepayment, Administrative Borrower shall notify Agent in writing of the amount of such prepayment, and Agent will promptly thereafter notify each Lender of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment and such Lender's option to refuse such amount. Each such Lender may exercise such option by giving written notice to Administrative Borrower and Agent in writing of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Lender that does not notify Administrative Borrower and Agent in writing of its election to exercise such option on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, Borrowers shall pay to Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (A) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Loans of such Lenders (which prepayment shall be applied to prepay the outstanding principal amount of the Obligations in accordance with Section 2.2(f) and (B) to the extent of any excess, to Borrowers for working capital and general corporate purposes; provided, however, that any waiver of any prepayment shall not constitute a waiver of any other applicable provisions set forth in any Loan Document.

(f) **Mandatory Prepayment Notice; Application of Payments**.

(i) Each prepayment required pursuant to Section 2.2(e) shall be preceded by irrevocable written notice delivered to Agent by 11:00 A.M., New York City time, not less than three (3) Business Days prior to the date of such prepayment, specifying the underlying reason for the mandatory prepayment and the amount of the same (it being understood that failure to deliver such notice does not modify the prepayment obligations set forth in Section 2.2(e)). All prepayments under Sections 2.2(d) or 2.2(e) shall be (1) accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and the payment of any premiums, penalties or other amounts required by Section 2.7,

(2) accompanied by the Applicable Prepayment Premium, as applicable (other than in the case of prepayments resulting solely from a Casualty Event or prepayments made pursuant to Section 2.2(e)(v)) (which premium amount may be paid by reducing the amount of Loans otherwise required to be prepaid, in the manner set forth in Section 2.7) and (3) subject to Section 2.8. For the avoidance of doubt, the amount which the Borrowers pay to Agent pursuant to this Section 2.2(f) shall be deemed to include an amount equal to the Applicable Prepayment Premium.

(ii) Each prepayment pursuant to Section 2.2(e)(i) shall, (A) in the case of Net Cash Proceeds of any sale or disposition of assets consisting of any Senior Priority Collateral, be applied, first, to the Obligations in the manner provided in Section 2.2(f)(v) and, second, to the Term Loan Debt to the extent provided in the Term Loan Documents and (B) in the case of Net Cash Proceeds of any sale or disposition of assets consisting of any Term Priority Collateral, be applied, first, to the Term Loan Debt to the extent provided in the Term Loan Documents and, second, to the Obligations in the manner provided in Section 2.2(f)(v).

(iii) Each prepayment pursuant to Sections 2.2(e)(ii), (iii), (iv) and (v) shall be applied (A) first, to the Obligations in the manner provided in Section 2.2(f)(v) and (B) second, to the Term Loan Debt to the extent provided in the Term Loan Documents, respectively.

(iv) Each prepayment pursuant to Section 2.2(e)(vi) shall be applied (A) first, to the Term Loan Debt to the extent provided in the Term Loan Documents, and (B) second, to the Obligations in the manner provided in Section 2.2(f)(v).

(v) Each prepayment of Obligations pursuant to Section 2.2(d) or Section 2.2(e)(ii), (iii), (iv), or (v) shall, (A) so long as no Application Event shall have occurred and be continuing, be applied ratably to the outstanding principal amount of the remaining Loan, until paid in full, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.2(b)(ii).

(vi) With respect to any mandatory prepayment required by Section 2.2(e)(i): (A) if the proceeds are from any sale or disposition of, or insurance or any Casualty Event with respect to, any Term Priority Collateral, such proceeds shall be applied (x) first, to the Term Loan Debt, to the extent required by the Term Credit Agreement (as in effect on the date hereof) until paid in full (but, for the avoidance of doubt, without a permanent reduction in commitments, unless required by the terms of the Term Credit Agreement), and (y) second, to the principal of the Loan, until paid in full; and (B) if the proceeds are from the sale or disposition of, or insurance or any Casualty Event with respect to, any other assets of the Loan Parties not described in subclause (A), such proceeds shall be applied to the principal of the Loan in accordance with the requirements of Section 2.2(f) of this Agreement, until paid in full.

2.3 **Interest Rate: Rate, Payments, and Calculations**.

(a) **Cash Interest**. Except as provided in Section 2.3(b) and Section 2.3(c), all Loans, and other unpaid Obligations shall bear interest at a rate per annum equal to ten percent (10.00%).

(b) **Default Rate**. Upon the occurrence and during the continuation of an

Event of Default and subject to all applicable laws, all Loans and all other unpaid Obligations shall bear interest at a per annum rate equal to two (2) percentage points above the per annum rates otherwise applicable thereto (and if no rate is otherwise applicable thereto, a per annum rate equal to two (2) percentage points).

(c) **Payment**. All interest, all fees payable hereunder or under any of the other Loan Documents, and all costs and expenses payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first Business Day of each month at any time that Obligations are outstanding, except as otherwise provided herein.

(d) **Computation**. All interest shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. Each interest rate which is calculated under this Agreement on any basis other than the actual number of days in a calendar year (the "deemed interest period") is, for the purposes of the *Interest Act* (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such result by the actual number of days in the calendar year (365 or 366).

(e) **Intent to Limit Charges to Maximum Lawful Rate**.

(i) In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of competent jurisdiction shall, in a final determination, deem applicable. Each Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto, as of the date of this Agreement, Borrowers are and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

(ii) In no event shall the aggregate "interest" (as defined in Section 347 (the "Criminal Code Section") of the *Criminal Code* (Canada)), payable to any member of the Lender Group under this Agreement or any other Loan Document exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section on the "credit advanced" (as defined in such section) under this Agreement or any other Loan Document. Further, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the affected Borrower and the affected member of the Lender Group and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the Criminal Code Section to result in a receipt by such member of the Lender Group of interest at a rate not in contravention of the Criminal Code Section, such adjustment to be effected, to the extent necessary, as follows:

(A) firstly, by reducing the amounts or rates of interest required to be paid to that member of the Lender Group; and

(B) then, by reducing any fees, charges, expenses and other amounts required to be paid to the affected member of the Lender Group which would constitute "interest",

it being understood that in the event of any such reduction, the amount by which the Obligations are reduced shall be deemed to be an Obligation of the non-Canadian Loan Parties.

(iii) Notwithstanding the above terms of this Section 2.3(e), and after giving effect to all such adjustments, if any member of the Lender Group shall have received an amount in excess of the maximum permitted by the Criminal Code Section, then the affected Borrower shall be entitled to obtain reimbursement from that member of the Lender Group in an amount equal to such excess. For greater certainty, to the extent that any charges, fees or expenses are held to be within such meaning of "interest", such amounts shall be pro-rated over the period of time to which they relate or otherwise over the period from the date hereof to the date on which all of the Obligations are irrevocably repaid.

2.4 **Crediting Payments; Clearance Charge**. The receipt of any payment item by Agent shall not be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 11:00 a.m. (New York time). If any payment item is received into Agent's Account on a non-Business Day or after 11:00 a.m. (New York time) on a Business Day, it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.5 **Designated Account**. Borrowers agree to establish and maintain the Designated Account with the Designated Account Bank.

2.6 **Maintenance of Loan Account; Statements of Obligations**. Agent shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with all Loans made by the Lenders to Borrowers or for Borrowers' account, and with all other payment Obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.4, the Loan Account will be credited with all payments received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers quarterly statements regarding the Loan Account, including the principal amount of the Loan, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within thirty (30) days after Agent first makes

such a statement available to Borrowers, the Administrative Borrower shall deliver to Agent written objection thereto describing the error or errors contained in such statement. The Borrowers shall continue to have such obligations notwithstanding any failure by the Agent to maintain the Loan Account.

2.7 **Fees and Applicable Prepayment Premium**.

(a) **Closing Fee**. As consideration for the Lenders' agreement herein, on the Closing Date, the Borrowers shall pay to each Lender that delivers its executed signature page to this Agreement its pro rata share of a closing fee (the "Closing Fee") in an amount equal to [___][1] of the amount of the Loans, which Closing Fee shall be fully earned and nonrefundable on such date and which shall be payable in kind and added to the principal balance of the Loans held by such Lender. Immediately upon the closing, the Closing Fee shall accrue interest at the interest rate then applicable to the Loans in this Agreement. The Closing Fee shall constitute Obligations for all purposes and shall be secured by the Collateral.

(b) **Agent Fees**. Borrowers shall pay to Agent for the account of the applicable Person, as and when due and payable under the terms of the Fee Letter, the fees and amounts set forth in the Fee Letter. Such fees and amounts shall be fully earned when due and payable and shall not be refundable under any circumstances.

(c) **Prepayment Premium**. If Borrowers have (i) sent a notice of voluntary prepayment or repayment of all or a portion of the Loans pursuant to Section 2.2(d)(i) or shall otherwise make any voluntary prepayment or repayment of all or a portion of the Loans, (ii) terminated this Agreement pursuant to Section 3.4 of this Agreement, (iii) sent a notice of mandatory repayment of the Loans pursuant to Section 2.2(e) (except solely for such mandatory prepayments pursuant to Section 2.2(e)(v) or a mandatory prepayment resulting from a Casualty Event), or (iv) shall otherwise make any mandatory prepayment or repayment of the Loans, including, without limitation, in the event of acceleration of the Loans (whether voluntarily or involuntarily, and, including whether pursuant to the commencement of an Insolvency Proceeding or otherwise) then on the date of repayment, prepayment, or termination (or the date when repayment or prepayment should have occurred or deemed termination occurred or the date when the Borrowers shall have deposited, or shall have been required to deposit, proceeds in a Designated Account) the amount which Borrowers pay to Agent pursuant to clauses (i), (ii), (iii), or (iv) hereof (or deposit in a Designated Account) shall be deemed to have been reduced by an amount equal to the Applicable Prepayment Premium as then in effect, with such amount equal to the Applicable Prepayment Premium to be paid to the Agent for the ratable benefit of the Lenders. Calculations of the Applicable Prepayment Premium shall be made by the

[1] 3.00% of the initial principal amount of the Loans payable in kind in full on the Closing Date, provided that the Closing Date has occurred on or before December 29, 2015;

3.25% of the initial principal amount of the Loans payable in kind in full on the Closing Date, provided that the Closing Date occurs on or after December 30, 2015 but prior to 5:00 p.m. Eastern Standard Time on January 15, 2016; or

3.50% of the initial principal amount of the Loans payable in kind in full on the Closing Date, provided that the Closing Date occurs on or after January 16, 2016.

Borrowers; provided that the Agent shall have the right to review and adjust such calculations. For the avoidance of doubt, the Applicable Prepayment Premium shall be due and owing to the Lenders, including in the event of acceleration (whether voluntary or involuntary and including whether upon a Chapter 11 or CCAA filing or otherwise) of the Loans. Amounts due in connection with any Applicable Prepayment Premium shall constitute Obligations for all purposes hereunder.

2.8 **Certain Losses**. In the event of the failure to prepay any Loan on the date specified in any notice delivered pursuant to Section 2.2, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense (but excluding consequential damages and loss of anticipated profits), if any, attributable to such event. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.8 shall be delivered to the Administrative Borrower (with a copy to the Agent) and shall be conclusive and binding absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within five (5) days after receipt thereof.

2.9 **Capital Requirements**.

(a) If, after the date hereof, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Administrative Borrower and Agent thereof. Following receipt of such notice, Borrowers agree to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, (A) no Borrower shall be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies Administrative Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor and (B) if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred and eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. For purposes of this Section 2.9(a), the Dodd-Frank Wall Street Reform and Consumer

Protection Act, the Basel Committee on Banking Supervision (of any successor or similar authority), the Bank for International Settlements and (in each case) all rules, regulations, orders, requests, guidelines or directives in connection therewith are deemed to have been enacted and become effective after the date of this Agreement.

(b) If any Lender requests additional or increased costs referred to in Section 2.8 or amounts under Section 2.9(a) or sends a notice relative to changed circumstances (any such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.8 or Section 2.9(a), as applicable, and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers' obligation to pay any future amounts to such Affected Lender pursuant to Section 2.8 or Section 2.9(a), as applicable, then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.8 or Section 2.9(a), as applicable) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.8 or Section 2.9(a), as applicable, may seek a substitute Lender acceptable to the Required Lenders to purchase the Obligations owed to such Affected Lender and such Affected Lender's Commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and Loan Commitments, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender shall cease to be a "Lender" for purposes of this Agreement.

2.10 **Joint and Several Liability of Borrowers**.

(a) Each Borrower is accepting joint and several liability for the Obligations hereunder and under the other Loan Documents in consideration of the financial accommodations provided or to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations. Notwithstanding any other provision contained herein or in any other Loan Document, if a "secured creditor" (as that term is defined under the BIA) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then each Borrower's Obligations, to the extent such Obligations are secured, shall be several obligations and not joint or joint and several obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with each other Borrower, with respect to the payment and performance of all of the Obligations

(including any Obligations arising under this Section 2.10), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.

(d) The Obligations of each Borrower under the provisions of this Section 2.10 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.10(d)) or any other circumstances whatsoever. Further, each Borrower waives each of the following, to the fullest extent permitted by applicable law, (1) any defense based upon (a) the lack of authority of any Borrower; (b) the unenforceability, invalidity, illegality or extinguishment of all or any part of the Obligations, or any security or other guarantee for the Obligations or any failure of the Agent or any Lender to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of the Collateral or any set-off of any of the Borrowers' bank deposits against the Obligations; (c) any act or omission of any of the Borrowers or any other person, including the Agent, that directly or indirectly results in the discharge or release of any of the Borrowers or any other Person or any of the Obligations or any security for the Obligations other than payment in full in cash of the Obligations; or (d) the Agent's present or future method of dealing with any of the Borrowers or any Guarantor or any security (or any collateral subject to the security) or other guarantee for the Obligations, (2) any right (whether now or hereafter existing) to require the Agent or a Lender, as a condition to the enforcement of this Agreement (a) to accelerate the Obligations or proceed and exhaust any recourse against any of the Borrowers or any other Person; (b) to realize on any security that it holds; (c) to marshall the assets of any of the Borrowers or any of the Guarantors; or (d) to pursue any other remedy that each Borrower or Guarantor may not be able to pursue itself and that might limit or reduce such Borrower's or such Guarantor's burden, (3) presentment, demand, protest and notice of any kind including, without limitation, notices of default, (4) any claims, set-off or other rights that any Borrower or any Guarantor may have against the Agent or any of the Lenders, whether or not related to the transactions contemplated by this Agreement or any of the other Loan Documents, (5) all suretyship defenses and rights of every nature otherwise available under any jurisdiction, including the benefit of discussion and of division, and (6) all other rights and defenses (legal or equitable) the assertion or exercise of which would in any way diminish the liability of any of the Borrowers under this joint and several liability obligation or otherwise under this Agreement other than the payment in full in cash of the Obligations.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Loans issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken

or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.10 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.10, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.10 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.10 shall not be diminished or rendered unenforceable by any bankruptcy, insolvency, winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of each other Loan Party and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of the other Loan Parties' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.10 are made for the benefit of Agent, each member of the Lender Group and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, or any of their successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.10 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon or in connection with the insolvency, bankruptcy or reorganization of any Borrower, or

otherwise, the provisions of this Section 2.10 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or Lenders with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization, winding up, arrangement or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(i) Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for Agent, and such Borrower shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.2(f).

3. CONDITIONS; TERM OF AGREEMENT.

3.1 **Conditions Precedent to Loan**. The effectiveness of this Agreement and the obligation of each Lender to make each Loan provided for hereunder are subject to the fulfillment, to the satisfaction of each Lender and Agent of the conditions precedent set forth on Schedule 3.1.

3.2 **Maturity**. This Agreement shall continue in full force and effect for a term ending on the Maturity Date. The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and upon notice by Agent to Administrative Borrower or any other Loan Party upon the occurrence and during the continuation of an Event of Default.

3.3 **Effect of Maturity**. On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and Borrowers shall be required to repay all of the Obligations (including, without limitation, the Applicable Prepayment Premium, if applicable) in full in cash. No termination of the obligations of the Lender Group (other than payment in full of the Obligations) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations

have been paid in full. When all of the Obligations have been paid in full, Agent (upon the direction of the Required Lenders) will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent and Loan Parties shall execute and deliver to Agent a release of Agent and Lenders in form and substance satisfactory to Agent and the Required Lenders.

3.4 **Early Termination by Borrowers**. Borrowers have the option at any time upon five (5) Business Days' prior written notice to Agent, to terminate this Agreement by repaying to Agent all of the Obligations in full in accordance with the provisions of Section 2 (which, for the avoidance of doubt, shall include any prepayment fees or premiums required by Section 2.7).

3.5 **Conditions Subsequent**. The obligation of the Lender Group (or any member thereof) to continue to maintain the Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.5 (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by the Required Lenders, which the Required Lenders may do without obtaining the consent of the other members of the Lender Group), shall constitute an immediate Event of Default).

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group which shall be true, correct, and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and at each such other time as required by this Agreement or the other Loan Documents, and shall be true, correct, and complete in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of delivery of each Compliance Certificate (or any other extension of credit) thereafter, as though made on and as of the date of such delivery (unless it expressly relates to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date (except to the extent already qualified by materiality, in which case each shall have been true and correct in all respects)), and such representations and warranties shall survive the execution and delivery of this Agreement:

4.1 **Due Organization and Qualification; Subsidiaries**.

(a) Each Loan Party (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any jurisdiction where the failure to be so qualified could reasonably be expected to result in a Material Adverse Change, (iii) has all requisite power and authority to own and operate its material properties, to carry on its material business as now conducted and as proposed to be conducted, and (iv) has all requisite power and authority to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) are the authorized Equity Interests of each Loan Party and each direct Subsidiary of such Loan Party, by class, and a description of the number of shares of each such class that are issued and outstanding, in each case, as of the Closing Date. Other than as described on Schedule 4.1(b) there are no subscriptions, options, warrants, or calls relating to any shares of any Borrower's or Subsidiary's Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. Other than as described on Schedule 4.1(b), no Borrower nor any Subsidiary of any Borrower is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its capital Equity Interests or any security convertible into or exchangeable for any of its Equity Interests. There is no Subsidiary of Parent that is not a Loan Party.

(c) All of the outstanding Equity Interests of each Subsidiary of a Loan Party have been validly issued and are fully paid and, except with respect to the shares of Colt Canada, non-assessable.

(d) Neither Borrowers nor any of their Subsidiaries are subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of any Loan Party's Equity Interests or any security convertible into or exchangeable for any such Equity Interests.

4.2 **Due Authorization; No Conflict**.

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby and by the Plan of Reorganization have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby and by the Plan of Reorganization do not and will not (i) violate any provision of any material federal, provincial, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) violate any provisions of the Governing Documents of any Loan Party or its Subsidiaries, (iii) conflict with, result in a material breach of, or constitute (with due notice or lapse of time or both) a material default under any Material Contract of any Loan Party or its Subsidiaries, (iv) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (v) require any approval of any holders of Equity Interests of a Loan Party or, except as set forth on Schedule 4.2(b), any approval or consent of any Person under any Material Contract of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect.

4.3 **Governmental Consents**. Except as set forth on Schedule 4.3, the execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents and by the Plan of Reorganization do not and will not require any registration with, consent, or approval

of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect and except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date.

4.4 **Binding Obligations; Perfected Liens**.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens (created pursuant to the Loan Documents and held for the benefit of the Secured Parties) are validly created Liens. Agent's Liens on the Collateral (created pursuant to the Loan Documents and held for the benefit of the Secured Parties) will be legal, valid, enforceable, perfected, first priority Liens, subject as to priority with respect to the Term Priority Collateral, the terms of the Intercreditor Agreement, and subject to Permitted Prior Liens that have priority by operation of law or unless otherwise permitted hereby, upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the Code or the PPSA, as applicable, the filing of the Uniform Commercial Code financing statement or PPSA financing statement, as applicable, naming such Borrower or Guarantor as "debtor" and Agent as "secured party" in the filing offices set forth opposite such Borrower's or such Guarantor's name on Schedule 4.4(b), (ii) with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, the execution of a Control Agreement, (iii) in the case of United States copyrights, trademarks and patents to the extent that Uniform Commercial Code financing statements may be insufficient to establish the rights of a secured party as to certain parties, the recording of the appropriate filings in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, (iv) in the case of Canadian copyrights, trademarks and patents to the extent that PPSA financing statements may be insufficient to establish the rights of a secured party as to certain parties, the recording of the appropriate filings in the Canadian Intellectual Property Office, (v) in the case of letter-of-credit rights that are not supporting obligations (as defined in the Code), the execution by the issuer or any nominated person of an agreement granting control to Agent over such letter-of-credit rights, and (vi) in the case of electronic chattel paper, the completion of steps necessary to grant control to Agent over such electronic chattel paper.

4.5 **Title to Assets; No Encumbrances**. Each of the Loan Parties and its Subsidiaries has (a) good and marketable title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets or property necessary to conduct its business or used in the ordinary course of business. All of such assets are free and clear of Liens except for Permitted Liens.

4.6 **Jurisdiction of Organization; Location of Chief Executive Office and Tangible Assets; Organizational Identification Number; Commercial Tort Claims; Locations of Inventory and Equipment**.

(a) The name (within the meaning of the Code or PPSA, as applicable) and jurisdiction of organization of each Loan Party and each of its Subsidiaries is set forth on Schedule 4.6(a) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(b) The chief executive offices of each Loan Party and each of its Subsidiaries are located at the addresses indicated on Schedule 4.6(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(c) Each Loan Party's and each of its Subsidiaries' tax identification numbers and organizational identification numbers, if any, are identified on Schedule 4.6(c) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(d) As of the Closing Date, no Loan Party and no Subsidiary of a Loan Party holds any commercial tort claims that exceed $50,000 in any one case or $100,000 in the aggregate, except as set forth on Schedule 4.6(d).

(e) Each Loan Party's Inventory and Equipment (other than (i) vehicles, (ii) Inventory and Equipment out for repair or in-transit, (iii) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (iv) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) is located only at the locations identified on Schedule 4.6(e).

4.7 **Litigation**.

(a) After giving effect to the Closing Date Transactions, there are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, after due inquiry, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(b) After giving effect to the Closing Date Transactions, Schedule 4.7(b) sets forth a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, $50,000 that, as of the Closing Date, is pending or, to the knowledge of any Loan Party, after due inquiry, threatened against a Loan Party or any of its Subsidiaries, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties' and their Subsidiaries in connection with such actions, suits, or proceedings is covered by insurance.

4.8 **Compliance with Laws**. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable material laws, rules, regulations, executive orders, or codes in any material respect, except as set forth on Schedule 4.8, (b) is subject to or in default in any material respect with respect to any material final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department,

commission, board, bureau, agency or instrumentality, domestic or foreign or (c) is in violation of ITAR nor in default with respect to any ITAR related rules or regulations, in each case, in any material respect.

4.9 **No Material Adverse Change**. All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by any Loan Party to the Lenders have been prepared in accordance with GAAP (except (x) in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments, (y) as set forth on Schedule 4.9 and (z) as such statements expressly relate to the Bargaining Unit Defined Benefit Plan Calculation Error) and present fairly in all material respects (except as such statements expressly relate to the Bargaining Unit Defined Benefit Plan Calculation Error), the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since the date on which the Disclosure Statement was filed with the Bankruptcy Court, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change.

4.10 **Solvency; Fraudulent Transfer**.

(a) Based on reasonable assumptions and plans, after giving effect to the Closing Date Transactions, Parent and its Subsidiaries (taken as a whole), on a consolidated basis (after giving effect to any rights of contribution or subrogation by any Loan Party), are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the Closing Date Transactions with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.11 **Employee Benefits**.

(a) Except as set forth on Schedule 4.11, no Loan Party, none of their Subsidiaries, nor any of their ERISA Affiliates maintains or contributes to any Pension Plan.

(b) Except as set forth on Schedule 4.11, (i) each Loan Party and each of the ERISA Affiliates has complied in all material respects with the terms of ERISA, the IRC and all other applicable laws regarding each Employee Benefit Plan, (ii) no material liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or ERISA Affiliate has been incurred or is reasonably expected by any Loan Party or ERISA Affiliate to be incurred with respect to any Pension Plan, (iii) no Loan Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any material liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed or participated in any Specified Canadian Pension Plan, (iv) the Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and have been administered in accordance with the Income Tax Act (Canada) and such other applicable laws and no event has occurred which could reasonably be expected to cause the loss of such registered status, (v) all obligations of the Loan Parties and their Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Specified Canadian Pension Plans and the funding agreements therefor have been performed

on a timely basis, and (vi) all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Specified Canadian Pension Plans have been made on a timely basis in accordance with the terms of such plans and all applicable laws.

(c) Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the IRC has received a favorable determination or opinion letter from the Internal Revenue Service or an application for such letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party and the ERISA Affiliates after due inquiry, except as set forth on Schedule 4.11, nothing has occurred which would reasonably be expected to prevent, or cause the loss of, such qualification.

(d) Except as set forth on Schedule 4.11, no Notification Event which could reasonably be expected to result in any material liability to any Loan Party or ERISA Affiliate exists or has occurred in the past six (6) years.

4.12 **Environmental Matters**. Except as set forth on Schedule 4.12:

(a) The operation of the business of, and each of the properties owned or operated by, each Loan Party are in compliance with all Environmental Laws and each Loan Party holds and is in compliance with all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of its property under Environmental Law, and all such Environmental Permits are valid and in good standing and effect, except where any such non-compliance with Environmental Law or failure to hold or comply with such Environmental Permits individually or in the aggregate could not reasonably be expected to result in a Material Adverse Change.

(b) Except as could not reasonably be expected to result in a Material Adverse Change (i) there is no Environmental Action pending or, to the knowledge of the Loan Parties, threatened against any Loan Party, or relating to any property currently or, to the knowledge of the Loan Parties, formerly owned, leased or operated by any Loan Party or its predecessor(s) in interest or relating to the operations of the Loan Parties, and (ii) to the knowledge of the Loan Parties, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Action.

(c) There has been no Release or threatened Release of Hazardous Materials and there are no Hazardous Materials present in violation of Environmental Law (i) on, at, under or from any properties currently, or to the knowledge of any Loan Party, formerly owned, leased, or operated by any Loan Party or any predecessor in interest, or (ii) at any disposal or treatment facility that received Hazardous Materials generated by any Loan Party or a predecessor in interest, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(d) No property now, or to the knowledge of any Loan Party, formerly owned or operated by a Loan Party has been used as a treatment or disposal site for any Hazardous Material.

(e) No Environmental Lien has been recorded or, to the knowledge of any Loan Party, threatened under any Environmental Law with respect to any revenues, assets or

property owned or operated by a Loan Party.

(f) No Environmental Law regulates, or requires notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup required by any Governmental Authority or pursuant to any other applicable Environmental Law of the Closing Date Transactions.

(g) No person with an indemnity or contribution obligation to the Loan Parties relating to compliance with or liability under Environmental Law is in default with respect to such obligation, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(h) No Loan Party is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Loan Party is conducting or financing any Response pursuant to any Environmental Law with respect to any property at any location, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(i) No property owned, operated or leased by the Loan Parties and, to the knowledge of the Loan Parties, no property formerly owned, operated or leased by the Loan Parties or any of their predecessors in interest is (i) listed or formally proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA, or (iii) included on any similar list maintained by any Governmental Authority including any such list relating to releases of petroleum.

(j) As of the Closing Date, the Loan Parties have made available to Lenders true and complete copies of all material records and files in the possession, custody or control of, or otherwise reasonably available to the Loan Parties, concerning the Loan Parties compliance with, or liability under, Environmental Laws, including those concerning the actual or suspected Release or threatened Release of Hazardous Materials at, on, under or from any property owned, operated, leased or used by the Loan Parties.

4.13 **Intellectual Property**. Except as set forth on the Perfection Certificate dated as of the Closing Date:

(a) Each Loan Party owns, licenses or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, without infringement upon, misappropriation of, dilution of, or conflict with the rights of any other Person or other Loan Party and attached hereto as Schedule 4.13 is a true, correct, and complete list of all material registered trademarks, registered copyrights and issued patents (and pending applications therefor) included within Intellectual Property as to which any Loan Party is the owner; provided, that, any Borrower may amend Schedule 4.13 to add additional Intellectual Property so long as such amendment occurs by written notice to Agent not less than ten (10) days after the end of the fiscal quarter in which the applicable Loan Party or its Subsidiary acquires any such property and such Intellectual Property shall at such time be made subject to

the Security Documents and owned by an IP Holdco.

(b) To the knowledge of the Loan Parties, no Loan Party nor any of its agents or representatives has engaged in any conduct, or omitted to perform any necessary act, the result of which would invalidate any material Intellectual Property of a Loan Party or hinder its enforcement. To the knowledge of the Loan Parties, no other Person has infringed or is infringing upon any material Intellectual Property of a Loan Party. For the avoidance of doubt, all registered trademarks or service marks of a Loan Party shall be deemed material Intellectual Property.

(c) None of the Loan Parties' registered Intellectual Property that is material to the operation of a Loan Party's business is currently involved in any reexamination, reissue, interference, invalidity, opposition or cancellation proceeding before any patent office or patent authority, including the United States Patent and Trademark Office and the Canadian Intellectual Property Office, or any similar proceeding, and no such proceedings are pending.

(d) All of the Loan Parties' Intellectual Property identified in the Perfection Certificate is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the knowledge of the Loan Parties, is valid and enforceable.

(e) Other than Permitted Liens, all rights with respect to the Intellectual Property owned by each Loan Party are free of all Liens and are fully assignable by the Loan Parties to any Person, without payment, consent of any Person or other conditions or restrictions.

(f) (i) No claim has been asserted in writing and is pending by any Person challenging or questioning the use of any of the Loan Parties' Intellectual Property, or the validity or effectiveness of any such Intellectual Property, and (ii) no claim has been asserted in writing and is pending by any Person challenging or questioning the use of any material Intellectual Property owned by any of the Loan Parties, or the validity or effectiveness of any such material Intellectual Property. Each Loan Party has made or performed all filings, recordings and other acts and has paid all maintenance fees, annuities and any other required fees and taxes, as deemed necessary by such Loan Party in its reasonable business judgment, to maintain and protect its interest in all Intellectual Property owned by such Loan Party in full force and effect.

(g) To the knowledge of the Loan Parties, 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, misappropriates, dilutes or conflicts with, any rights owned by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Loan Parties, threatened.

(h) Each of the Loan Parties and its Subsidiaries has executed all documents necessary to transfer ownership as of the Closing Date of all right, title and interest of such Loan Party and its Subsidiaries in Intellectual Property worldwide to an IP Holdco.

4.14 **Leases**. Each Loan Party and each of its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and subject to Permitted Protests, all of such material leases are

valid and subsisting and no material default beyond any applicable cure period by the applicable Loan Party or its Subsidiaries exists under any of them.

4.15 **Deposit Accounts and Securities Accounts**. Set forth on Schedule 4.15 (as updated pursuant to the provisions of each of the Security Documents from time to time) is a listing of all of the Loan Parties' and their Subsidiaries' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (a) the name and address of such Person, and (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

4.16 **Complete Disclosure**. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry and historical information expressly related to the Bargaining Unit Defined Benefit Plan Calculation Error provided prior to the Closing Date) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to the Agent (for further distribution to the Lenders) on [_____] represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent, Borrowers' good faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrowers to be reasonable at the time of the delivery thereof to Agent (it being understood that such Projections are subject to uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, that no assurances can be given that such Projections will be realized, and that actual results may differ in a material manner from such Projections).

4.17 **Material Contracts**. Except as set forth on Schedule 4.17, no Material Contract is in default in any material respect.

4.18 **Patriot Act; etc**. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001) (the "Patriot Act"), and (c) the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations promulgated thereunder. No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, 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.

4.19 **Indebtedness**. Set forth on Schedule 4.19 is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date, but after giving effect to the Closing Date Transactions and the Confirmation Order (other than unsecured Indebtedness with respect to any one transaction or a series of related transactions in an amount not to exceed $50,000, provided, that all such unsecured Indebtedness, in the aggregate, shall not exceed $250,000) that is to remain outstanding immediately after giving effect to the Closing Date Transactions and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.20 **Payment of Taxes**. All tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, all such tax returns and reports were true, correct and complete as of the time of such filing and all Taxes shown on such tax returns to be due and payable and all governmental assessments, fees and other charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable, except (a) to the extent the validity of such Taxes shall be the subject of a Permitted Protest or (b) for failures which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change. No Loan Party knows of any proposed tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.21 **Margin Stock**. No Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to Borrowers will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors of the United States Federal Reserve.

4.22 **Governmental Regulation**. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, state, provincial, territorial or foreign statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.23 **OFAC**. No Loan Party nor any of its Subsidiaries is in violation of any of the country or list based economic and trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has

its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

4.24 **Employee and Labor Matters**. Except as set forth on Schedule 4.24, there is (a) no unfair labor practice complaint pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against Parent or its Subsidiaries, (c) to the knowledge of Borrowers, after due inquiry, no union representation question existing with respect to the employees of Parent or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Parent or its Subsidiaries, or (d) any liability or obligation incurred by Parent or any of its Subsidiaries under the Worker Adjustment and Retraining Notification Act or similar state, Canadian or provincial law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of Parent or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. All payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

4.25 **Exit Documents**. Borrowers have delivered or made available to the Agent and Lenders true and correct copies of the following (i) Term Loan Documents, (ii) Third Lien Loan Documents, and (iii) the Fourth Lien Note Documents. The transactions contemplated by the Term Loan Documents, Third Lien Loan Documents, and Fourth Lien Note Documents will be, contemporaneously with the Closing Date, consummated in accordance with their respective terms and all of the representations and warranties of Parent or its Subsidiaries in the Term Loan Documents, Third Lien Loan Documents, and Fourth Lien Note Documents are true and correct in all material respects as of the Closing Date or, to the extent that any such representation or warranty relates solely to an earlier date, as of such earlier date.

4.26 **Use of Proceeds**. The proceeds of the Loans made or deemed made, as the case may be, pursuant to Section 2.2, together with the Paydown, shall be used solely to refinance the Senior DIP Agreement. The Borrowers will use the proceeds of the Term Loan Documents, the Third Lien Loan Documents and the Fourth Lien Note Documents in accordance with the Plan of Reorganization and Confirmation Order.

4.27 **Locations of Inventory and Equipment**. The Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit, (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Disposition) of the Loan Parties and their Subsidiaries are not stored with a bailee, warehouseman, or similar party with whom Agent or Lenders have

a Collateral Access Agreement and are located only at, or in-transit between or to, the locations identified on Schedule 4.6(e) (as such Schedule may be amended in accordance with Section 5.15.

4.28 **Inventory Records**. Each Loan Party keeps correct and accurate records, in all material respects, itemizing and describing the type, quality, and quantity of its and its Subsidiaries' Inventory and the book values thereof.

4.29 **Common Enterprise**. The Loan Parties make up a related organization of various entities constituting a single economic and business enterprise so that the Loan Parties share an identity of interests such that any benefit received by any one of them benefits the others. The Loan Parties render services to or for the benefit of certain of the other Loan Parties and purchase or sell and supply goods to or from or for the benefit of certain of the others. Certain of the Loan Parties have the same chief executive office, certain common officers and directors and generally do not provide consolidating financial statements to creditors. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Loan Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party (and the entering into of joint and several obligations and the giving of any guarantee or Lien to Agent for the benefit of the Secured Parties in connection therewith) is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and/or indirect benefit to such Loan Party, and is in its best interest.

4.30 **Confirmation Order**. The Confirmation Order is in full force and effect and has not been vacated, reversed or rescinded or, without the prior written consent of the Agent and Required Lenders, in their sole discretion, amended or modified and no appeal or leave to appeal of such order has been timely filed or, if timely filed, no stay pending such appeal or leave to appeal is currently effective.

4.31 **Insurance**. The Loan Parties keep their respective properties adequately insured and maintain (a) insurance to such extent and against such risks, including fire, as is customary with companies in the same or similar businesses, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance, which shall include product liability insurance, in the amount customary with companies in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (d) such other insurance as may be required by law (including, without limitation, against larceny, embezzlement or other criminal misappropriation). Schedule 4.31 sets forth a list of all insurance maintained by the Loan Parties on the Closing Date.

4.32 **Centre of Main Interests and Establishments**. Each Dutch Loan Party has its "centre of main interests" (as that term is used in Article 3(7) of the Council of the European

Union Regulation No. 1346/2000 as Insolvency Proceeding (the "**Regulation**")) in its jurisdiction of incorporation. No Dutch Loan Party has an establishment (as that term is used in Article 2(h) of the Regulation) in any jurisdiction other than the Netherlands.

4.33 **Tax Status**. No notice under Section 36 of the Tax Collection Act (Invorderingswet 1990) has been given by any Dutch Loan Party.

5. AFFIRMATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties shall and shall cause each of their Subsidiaries to comply with each of the following:

5.1 **Financial Statements, Reports, Certificates**. Loan Parties shall deliver to Agent, with copies to each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein. Parent agrees that it shall (i) not change its fiscal year and (ii) maintain a system of accounting that enables Parent to produce financial statements in accordance with GAAP.

5.2 **Collateral Reporting**. Provide Agent (and if so requested by Agent or the Required Lenders, with copies for each Lender) with each of the reports set forth on Schedule 5.2 at the times specified therein.

5.3 **Existence**. Except as otherwise permitted under Section 6.3, Section 6.4 or Section 6.5, at all times maintain and preserve in full force and effect (a) its existence, (b) all rights and franchises, licenses and permits related to any Intellectual Property that are necessary or otherwise material to the conduct of its business as currently conducted, unless otherwise consented to by the Required Lenders, and (c) all other rights and franchises, licenses and permits that are necessary or otherwise material to the conduct of the business of Parent and its Subsidiaries; provided, however, that no Loan Party or any of its Subsidiaries shall be required to preserve any such right or franchise, licenses or permits under clause (c) if such Person's board of directors (or similar governing body) shall determine (after informing the Required Lenders) that the preservation thereof is no longer desirable in the conduct of the business of such Person.

5.4 **Maintenance of Properties**. Maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, except for ordinary wear, tear, and casualty and Permitted Dispositions.

5.5 **Taxes**. Cause all Taxes imposed, levied, or assessed against any Loan Party or its Subsidiaries, or any of their respective assets or in respect of any of its income, businesses, or franchises to be paid in full when due (taking into account any valid and effective extension for payment thereof), except (a) to the extent that the validity of such Tax shall be the subject of a Permitted Protest or (b) delinquent Taxes outstanding in an aggregate amount not to exceed $100,000 at any one time.

5.6 **Insurance**. Each Loan Party shall, at such Loan Party's expense, (a) maintain insurance respecting each Loan Party's assets wherever located, covering liabilities, losses or damages as customarily are insured against by other Persons engaged in the same or similar

businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies reasonably acceptable to the Required Lenders (it being agreed that, as of the Closing Date, the insurance companies identified on Schedule 4.31 are acceptable to the Required Lenders) and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to the Required Lenders (it being agreed that the amount, adequacy, and scope of the policies of insurance of the Loan Parties in effect as of the Closing Date are acceptable to the Required Lenders and it being further agreed and understood that with respect to insurance in respect of director and officer liability, the amount, adequacy and scope of the policies of such insurance shall be determined in the sole discretion of Parent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard noncontributory "lender" or "secured party" clause and are to contain such other provisions as Agent or the Required Lenders may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies (and any payments received by Agent shall be applied by Agent or otherwise returned to Borrowers in accordance with the provisions set forth in this Agreement). All certificates of property and general liability insurance shall be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements (other than directors and officers policies and workers compensation) in favor of Agent and shall provide for not less than thirty (30) days (or ten (10) days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If any Loan Party fails to maintain such insurance, Agent (upon the direction of the Required Lenders) shall arrange for such insurance, but at such Loan Party's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrowers shall give Agent prompt notice of any loss exceeding $50,000 covered by any Loan Party's casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Agent (upon the direction of the Required Lenders) shall have the sole right to file claims under any property and general liability insurance policies (and not under business interruption insurance policies) in respect of the Collateral (other than with respect to any Term Priority Collateral), to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. The Loan Parties shall give prior written notice to the Required Lenders prior to any change (outside of the ordinary course consistent with past practice) to any insurance policy listed on Schedule 4.31 related to executive risk or directors and officers insurance (including any change to coverage, amount insured or deductible).

5.7 **Inspection**. Permit Agent and the Lenders and each of their duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to conduct appraisals and valuations, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees at such reasonable times (during normal business hours) and intervals as Agent (upon the direction of the Required Lenders) shall designate and, so long as no Default or Event of Default exists and is continuing, with reasonable prior notice (which notice

shall be at least two (2) Business Days' prior notice) to Administrative Borrower all at such times and intervals as Agent (upon the direction of the Required Lenders) shall request, all at Borrower's expense; provided, that, as to such examinations and appraisals of Intellectual Property of the Loan Parties, unless an Event of Default exists or has occurred and is continuing, no more than one (1) examination and appraisal of Intellectual Property in any twelve (12) month period (commencing as of the Closing Date) shall be at the expense of Borrowers.

5.8 **Compliance with Laws**. (a) Except as set forth on Schedule 4.8, comply with the requirements of all applicable material laws, rules, regulations, and orders of any Governmental Authority in all material respects and (b) comply with the requirements of ITAR in all material respects.

5.9 **Environmental**.

(a) To the extent applicable, comply with all Environmental Laws applicable to the ownership, lease or use of all property now or hereafter owned, leased or operated by the Loan Parties, including, but not limited to, all requirements pursuant to and within the timeframes set forth in Connecticut's Transfer Act (Conn. Gen. Stat. §22a-134, *et seq.*) as a result of any prior transactions and the Closing Date Transactions, including but not limited to retaining a Licensed Environmental Professional and completing all required filings, authorizations, approvals, notifications, site investigations, and remediation. The Loan Parties shall provide Agent with copies of all material documents filed with, and material responses from, the Connecticut Department of Environmental Protection, with respect to Connecticut's Transfer Act.

(b) Keep any property either owned, leased or operated by any Loan Party free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens.

(c) Comply, and use commercially reasonable efforts to cause all tenants and other Persons who may come upon any property owned, leased or operated by a Loan Party to comply, with all Environmental Laws in all material respects and provide to Agent documentation of such compliance which Agent reasonably requests.

(d) Maintain and comply in all material respects with all Environmental Permits required under applicable Environmental Laws.

(e) Except as have not had, and would not reasonably be expected to cause a Material Adverse Change, neither the Loan Parties nor any of their Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Loan Parties or any of their Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties, or transported to or from such Real Properties, in compliance with all applicable Environmental Laws.

(f) Undertake or cause to be undertaken any and all Remedial Actions in

response to any Environmental Claim, Release of Hazardous Materials in violation of Environmental Law or other violation of Environmental Law, or as is otherwise ordered by any Governmental Authority, to the extent required by Environmental Law or any Governmental Authority and to repair or remedy any environmental condition or impairment to the Real Property and, upon request of Agent or the Required Lenders, provide Agent with copies of all data, information and reports generated in connection therewith as Agent or the Required Lenders may request.

(g) Promptly, but in any event within five (5) Business Days of its receipt thereof, (i) provide Agent with written notice of any of the following: (A) any Release of which any Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by any Loan Party; (B) written notice that an Environmental Lien has been filed against any of the real or personal property of any Loan Party, (C) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party, if such Loan Party reasonably estimates that liability will result in a Material Adverse Change; (D) material violation of Environmental Laws in, at, on, under or from any part of the Real Property or any improvements constructed thereon; and (E) discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Real Property that could reasonably be expected to cause such Real Property or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws; and (ii) provide such other documents and information as reasonably requested by Agent in relation to any matter pursuant to this Section 5.9(g).

(h) At the request of the Required Lenders or Agent (at the direction of the Required Lenders) upon the occurrence of any of the following: (i) after the receipt by Agent or any Lender of any notice of the type described in Section 5.9(g), (ii) at any time that any Loan Party or any of its Subsidiaries are not in compliance with Section 4.12 or Section 5.9, or (iii) at any time when an Event of Default has occurred and is continuing, the Loan Parties shall provide to Agent and the Lenders, within thirty (30) calendar days after such request, at the sole expense of the Loan Parties, a Phase I Report for any Real Property, prepared by an environmental consulting firm acceptable to the Required Lenders and, if recommended by the Phase I Report, a Phase II environmental site assessment report. Without limiting the generality of the foregoing, if the Required Lenders determine at any time that a risk exists that any requested Phase I or Phase II Report will not be provided within the time referred to above, Agent and/or the Required Lenders may retain an environmental consulting firm to prepare such reports at the sole expense of the Loan Parties, and the Loan Parties shall provide reasonable access to Agent and/or the Required Lenders, such firm and any agents or representatives to their respective properties to undertake such Phase I or Phase II environmental site assessment.

5.10 **[Reserved]**.

5.11 **Formation of Subsidiaries**. At any time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date, such Loan Party shall (a) upon formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) cause any such new Subsidiary to provide to the Agent for distribution to the Required Lenders a Guaranty and a joinder to the Security Agreement and any other applicable Loan Documents, together with such other security documents (including

mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value of at least $200,000), as well as appropriate financing statements (and with respect to all property subject to a mortgage, fixture filings), all in form and substance reasonably satisfactory to the Required Lenders (including being sufficient to grant Agent a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary); provided, that, a Guaranty or a joinder to the Security Agreement and other applicable Loan Documents, and such other documents shall not be required to be provided to Agent if the costs to the Loan Parties of providing such Guaranty, executing the Security Agreement and other Loan Documents or perfecting the security interests created thereby are unreasonably excessive (as determined by Agent in consultation with Borrowers) in relation to the benefits of Agent and the Lenders of the security or guarantee afforded thereby, (b) within five (5) days of such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) provide to Agent a pledge agreement (or an addendum to the Security Agreement or other applicable Loan Documents) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary reasonably satisfactory to the Required Lenders provided, that, no other pledge shall be required if the costs to the Loan Parties of providing such other pledge are unreasonably excessive (as determined by the Required Lenders in consultation with Borrowers) in relation to the benefits of Agent and Lenders of the security afforded thereby, and (c) within thirty (30) days of such formation or acquisition (or such later date as permitted by Agent in its sole discretion) provide to Agent all other documentation reasonably requested by Agent or the Required Lenders (including policies of title insurance or other documentation with respect to all Real Property owned in fee and subject to a mortgage).

5.12 **Further Assurances**. At any time upon the reasonable request of the Required Lenders execute and/or deliver to Agent and the Required Lenders any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, mortgages, title insurance, deeds of trust, opinions of counsel and all other documents (the "Additional Documents") that are required by applicable law, or that Agent or the Required Lenders may reasonably request in form and substance reasonably satisfactory to the Agent and the Required Lenders, (i) to create, perfect, and maintain Agent's Liens in all of the assets of Parent and its Subsidiaries (other than Excluded Property but, for the avoidance of doubt, including ownership by an IP Holdco of any Intellectual Property of a Loan Party and other Collateral located in jurisdictions outside the United States or Canada) (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), (ii) to create and perfect Liens in favor of Agent in any Real Property acquired by Parent or its Subsidiaries after the Closing Date with a fair market value of in excess of $200,000 and (iii) in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. In furtherance and not in limitation of the foregoing, each Loan Party shall within sixty (60) days of the date of request by the Required Lenders (or such later date as agreed to in writing by the Required Lenders), deliver any and all executed filings and other documents required under the Federal Assignment of Claims Act of 1940 so requested and cause the filing thereof. To the maximum extent permitted by applicable law, if any Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, such Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name, as applicable, and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance and

not in limitation of the foregoing, each Loan Party shall take such actions as the Agent or the Required Lenders may reasonably request from time to time (a) in connection with any merger, amalgamation, consolidation, or reorganization permitted under Section 6.4, delivery to Agent of the agreements and documentation related thereto or set forth in Section 5.2 and Section 5.11 above, or (b) to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of the Loan Parties (subject to exceptions and limitations contained in the Loan Documents).

5.13 **Lender Meetings**. Upon the request of Required Lenders, but no more than once each month, hold a meeting (by conference call or, at the request of Required Lenders, in person; provided that the Loan Parties shall offer to hold at least one annual meeting in person) with all Lenders (and any financial advisor retained by the Agent or any Lender) who choose to attend such meeting at which meeting shall be reviewed, among other things, the financial results of Parent and the financial condition of Parent and its Subsidiaries, operations of the Borrowers, progress of any business development (including Intellectual Property licensing) and marketing initiatives and/or any other developments; provided, however, that following the occurrence of a Default or an Event of Default, such meetings shall be held as often as the Required Lenders shall request. For the avoidance of doubt, any of the foregoing meetings with Lenders may be held concurrently with any lender meetings required pursuant to Section 5.12 of the Term Loan Agreement (unless otherwise requested by the Required Lenders).

5.14 **Material Contracts**. Upon the Lenders' request and in any event with the delivery of each Compliance Certificate pursuant to Section 5.1, provide Agent (for further delivery to the Lenders) with copies of (a) each Material Contract entered into since the delivery of the previous Compliance Certificate, and (b) each material amendment or modification of any Material Contract entered into since the delivery of the previous Compliance Certificate.

5.15 **Location of Inventory and Equipment**. Keep each Loan Party's Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit between locations as specified on Schedule 4.6(e), (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) only at the locations identified on Schedule 4.6(e); provided, that, any Borrower may amend Schedule 4.6(e) so long as such amendment occurs by written notice to Agent not less than ten (10) days after the date on which such Inventory or Equipment is moved to such new location.

5.16 **Compliance with ERISA and the IRC**. In addition to and without limiting the generality of Section 5.8, (a) comply in all material respects with applicable provisions of ERISA and the IRC with respect to all Employee Benefit Plans, (b) not take any action or fail to take action the result of which could reasonably be expected to result in a Loan Party or ERISA Affiliate incurring a material liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (c) not participate in any prohibited transaction that could reasonably be expected to result in a material civil penalty, excise tax, fiduciary liability or correction obligation under ERISA or the IRC, and (d) furnish to Agent upon the Required Lenders' written request such additional information about any Employee Benefit Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any

material liability. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in material liability to the Loan Parties, the Loan Parties and the ERISA Affiliates shall, (i) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (ii) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA. In addition to and without limiting the foregoing take all actions required under Schedule 5.16 in the manner and on the time frames set forth therein.

5.17 **Canadian Employee Benefits**.

(a) Cause the Canadian Pension Plans to be duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and cause such Canadian Pension Plans to be administered in accordance with the Income Tax Act (Canada) and such other applicable law and maintain such registered status.

(b) Cause each Loan Party and its Subsidiaries to perform its obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and cause the funding agreements therefor to be performed on a timely basis.

(c) Cause all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Canadian Pension Plans to be made or paid on a timely basis in accordance with the terms of such plans and all applicable laws.

5.18 **IP Holdcos**.

(a) Cause each Loan Party and its Subsidiaries to take all steps to make all governmental filings that are necessary to record or perfect transfer of all registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property worldwide of each Loan Party and its Subsidiaries to an IP Holdco, within 10 days of the Closing Date for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in the United States or Canada, or for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in countries outside of the United States or Canada, on a schedule to be agreed in writing between the Parties, provided that Agent may reasonably request such actions to take place on an accelerated schedule for one or more countries outside of the United States and Canada, such request not to be unreasonably denied or delayed by the Loan Parties.

(b) Deliver to Agent (a) a 100% pledge of the Equity Interests in such IP Holdco together with (i) after Discharge of Term Obligations, powers indorsed in blank, or (ii) prior to Discharge of Term Obligations, evidence of delivery to Term Loan Agent of powers indorsed in blank, (b) a joinder to the Security Agreement or Canadian Security Agreement

signed by such IP Holdco and (c) any separate security agreement required by applicable laws or as may be requested by Agent.

(c) Ensure that the IP Holdcos do not own any property or assets whatsoever other than Intellectual Property and other property reasonably related thereto or to the development thereof that is set forth on Schedule 5.18.

5.19 **Assignment and Registration of Intellectual Property**. Cause each Loan Party and its Subsidiaries to assign all rights of such Loan Party or Subsidiaries in Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party after the Closing Date to an IP Holdco within a reasonable time after creation, acquisition or application for registration provided any delay does not result in a material impairment of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, and for each such Intellectual Property that is material, to file and prosecute applications for copyright, trademark or patent registrations with the applicable governmental agencies worldwide, consistent with past practice, provided that a Loan Party or its Subsidiary may exercise reasonable discretion in choosing to protect one or more particular embodiments of such Intellectual Property as a trade secret instead of filing for patent protection after due inquiry and consultation with, and recommendation of, outside counsel.

6. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties will not and will not permit any of their Subsidiaries to do any of the following:

6.1 **Indebtedness**. Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 **Liens**. Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 **Intellectual Property**.

(a) Permit any Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party to be legally owned by, beneficially owned (except to the extent rights are granted pursuant to license agreements permitted under Section 6.3(c) of this Agreement) by or registered in the name of any Person other than US IP Holdco or Canada IP Holdco, as applicable. For the avoidance of doubt, joint ownership of any Intellectual Property shall not be permitted, except for Intellectual Property that has been or may be jointly developed by a Loan Party (or its Subsidiaries) and a third party.

(b) Convey, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, assign, transfer, or otherwise dispose of) any Intellectual Property of any of the Loan Parties to any Person other than (i) either IP Holdco, but not both, or (ii) Permitted Dispositions.

(c) Grant any IP Licenses, except those IP Licenses (1) that are by and among any Loan Parties or their respective Affiliates on terms and conditions consistent with the Loan Documents, the Intercreditor Agreements, and not materially different from IP Licenses executed between the Loan Parties on the Closing Date unless approved in writing by the Lender Group or Agent, such approval not to be unreasonably withheld or delayed or (2) nonexclusive licenses to third parties for specified, non-perpetual periods of time on customary, market and otherwise reasonable and commercial terms; provided, that: (a) the Loan Parties shall not license (or allow the licensing or sublicensing of) any Intellectual Property to third parties in connection with firearm products (collectively, the "Prohibited IP Licenses") except (i) solely for the purpose of acting as a contract manufacturer for one or more of the Loan Parties, or (ii) solely for the marketing, sale, distribution and final assembly of firearms for which one or more of the Loan Parties manufactured (or had manufactured by a contract manufacturer) all or a substantial portion of the components of such firearms, except that IP Licenses that would otherwise be Prohibited IP Licenses that are (x) Existing IP Licenses shall not be deemed to be Prohibited IP Licenses and shall be listed as such on Schedule L-1 or (y) nonexclusive licenses related to SWORD Technology as defined in Schedule L-1 shall not be deemed to be Prohibited IP Licenses; (b) all IP License Proceeds shall be required to be in cash and be deposited in a the IP Proceeds Account; (c) each IP License shall be of reasonable duration and shall include reasonable and customary provisions typical for agreements of such kind and designed to ensure the ownership, validity, enforceability and preservation of the value of the Intellectual Property subject to such license; and (d) the aggregate value of IP Licenses entered into after the Closing Date shall not exceed $15,000,000 (with the determination of value of each IP License measured at the time entered into, renewed, amended, extended or otherwise changed, and with determinations of value being made in good faith by the board of directors of Parent; provided, that any determination of value in excess of $5,000,000 shall be made by a third party appraiser reasonably acceptable to the Required Lenders).

(d) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $7.0 million (it being understood that the Loan Parties shall not be obligated to fund the IP Proceeds Account with cash other than IP Proceeds).

6.4 **Restrictions on Fundamental Changes**.

(a) Enter into any merger, amalgamation, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests except for mergers, consolidations and amalgamations (i) between US Loan Parties; provided that, if a Borrower is party thereto, such Borrower is the surviving or continuing entity of such merger, amalgamation or consolidation, (ii) between Canadian Loan Parties, provided that, if a Borrower is party thereto, such Borrower is the surviving or continuing entity of such merger, amalgamation or consolidation, (iii) between a Dutch Loan Party and any other Loan Party, provided that, if a Loan Party other than a Dutch Loan Party is party thereto, such other Loan Party is the surviving or continuing entity of such merger, amalgamation or consolidation and (iv) between Subsidiaries of Parent which are not Loan Parties (provided that this clause is not intended to act as a permission for the formation of any Subsidiary that is not a Loan Party), so long as the surviving entity is a Loan Party upon such merger, amalgamation or consolidation and is in compliance with the obligations under Section 5.11. The Administrative Borrower shall deliver to the Agent documents confirming

compliance with this Section 6.4(a) within five (5) Business Days of such merger, amalgamation, consolidation, reorganization, recapitalization or reclassification.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for the winding up, liquidation or dissolution of a Loan Party (other than Borrowers) or any of Borrowers' wholly-owned Subsidiaries (other than any IP Holdco) so long as all of the assets, other than up to $10,000 in cash in the case of the Dutch Loan Party (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary are transferred to a Loan Party (except in the case of a liquidating or dissolving Dutch Loan Party, in the same jurisdiction as the liquidating or dissolving Loan Party) that is not liquidating or dissolving, it being understood that the winding up, liquidation, or dissolution of a Dutch Loan Party shall be permitted if all of the assets (including any interest in any Equity Interests) of such Dutch Loan Party are transferred to any other Loan Party.

(c) Suspend or terminate all or a substantial portion of its or their business, except as permitted pursuant to clause (a) or (b) above or in connection with the transactions permitted pursuant to Section 6.5.

6.5 **Disposal of Assets** Convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any assets or Equity Interests of Parent or its Subsidiaries, except for (i) Permitted Dispositions, (ii) transactions expressly permitted by Section 6.4 and (iii) with respect to Equity Interests of Parent only, transactions not constituting a Change of Control, not otherwise expressly prohibited under this Agreement, or that would not result in an adverse change to any of Agent's or a Lender's rights under the Loan Documents.

6.6 **Change Name**. Change the name, organizational identification number, jurisdiction of organization or organizational identity of any Loan Party; provided, that, any Loan Party may change its name so long as such Loan Party gives thirty (30) days prior written notice to Agent of such change.

6.7 **Nature of Business**. Make any change in the nature of its or their business as presently conducted on the Closing Date or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that, the foregoing shall not be construed to prohibit Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.8 **Certain Payments of Debt and Amendments**.

(a) Make any payment, prepayment, redemption, retirement, defeasance, purchase or sinking fund payment or other acquisition for value of any of its Indebtedness or make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Indebtedness as a result of any asset sale, change of control issuance and sale of debt and equity securities or similar event, or give notice with respect to any of the foregoing, other than the Indebtedness hereunder or under the other Loan Documents, and, subject to the Senior Intercreditor Agreement, under the Term Loan Documents (including, without limitation, by way of depositing money or securities with the trustee therefor before the date required for the

purpose of paying any portion of such Indebtedness when due), or otherwise set aside or deposit or invest any sums for such purpose, except that:

(i) Loan Parties may make regularly scheduled payments in respect of Indebtedness permitted under clause (b) of the definition of "Permitted Indebtedness" (only in respect of letters of credit listed on Schedule 4.19, and extensions of maturity or replacements of such Indebtedness in the same principal amount) or under clause (c) of the definition of "Permitted Indebtedness" as and when due in respect of such Indebtedness, in accordance with the terms of the Term Loan Documents, the Third Lien Loan Documents, and the Fourth Lien Note Documents;

(ii) all Loan Parties may make optional prepayments and redemptions of Indebtedness solely with the proceeds of the issuance and sale of Qualified Equity Interests of Parent that constitute Excluded Issuances (as described in clause (d) of the definition thereof); provided, that, as of the date of any such prepayment or redemption, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing;

(iii) all Loan Parties may make optional prepayments of Permitted Intercompany Advances to the extent permitted by the Intercompany Subordination Agreement; provided that, (x) so long as on and as of the date of any such prepayment, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing and (y) unless agreed to in writing by Required Lenders, optional prepayments by a Loan Party of Permitted Intercompany Advances owing to a Specified Loan Party shall not exceed $500,000 in an aggregate principal amount during the term of this Agreement; and

(iv) as to payments in respect of other Permitted Indebtedness not subject to the provisions above in this Section 6.8, Loan Parties may make payments of regularly scheduled principal and interest or other mandatory prepayments (but in no event any voluntary prepayment) as and when due in respect of such Indebtedness in accordance with the terms thereof as of the date of incurrence (and in the case of Indebtedness that has been contractually subordinated in right of payment to the Obligations or subject to an intercreditor agreement with Agent solely to the extent such payment is permitted at such time under the subordination and/or intercreditor terms and conditions set forth therein or applicable thereto); it being understood that no cash payments of any kind shall be made in respect of the Third Lien Loan Documents (other than cash interest payments commencing after the second anniversary of the Closing Date) or the Fourth Lien Note Documents prior to the date when the Obligations hereunder are paid in full in cash.

(b) Directly or indirectly, amend, modify, or change (or permit the amendment, modification or other change in any manner of) any of the terms or provisions of:

(i) any agreements, documents or instruments in respect of any subordinated Indebtedness or any other Indebtedness that is contractually subordinated in right of payment to the Obligations or subject to an intercreditor agreement with Agent unless made in accordance with the terms and provisions of the subordination or intercreditor agreement, as the case may be;

(ii) the certificate of incorporation, memorandum and articles of association, certificate of formation, limited liability agreement, limited partnership agreement or other organizational documents of any Loan Party, except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges under any Loan Document, or otherwise adversely affect the interests of Agent or Lenders in any material respect, as determined by the Agent and Lenders, it being understood that any amendment, modification or other change providing for the conversion of any Equity Interest into debt, the issuance of any mandatory cash pay dividends or distributions or any mandatory redemption of any Equity Interest prior to the satisfaction in full in cash of each of the Obligations, the Term Loan Debt, the Third Lien Debt, or the Fourth Lien Debt shall be deemed to materially adversely affect the interests of Agent and Lenders; and

(iii) the Management Agreements and any other agreement listed on Schedule 6.14 except with the prior written consent of the Required Lenders, and except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges of Agent or Lenders, as determined by the Agent and Required Lenders.

(c) Pay any management fees other than those pursuant to the Management Agreements in form and substance acceptable to Agent and Required Lenders (or as otherwise modified to the extent permitted by Section 6.8(b)(iii)) and in an amount not exceeding $1,000,000 in the aggregate per year; provided, however, that (a) cash payments on account of such fees may commence no earlier than the third (3rd) fiscal quarter of 2017 (and for the 2017 fiscal year, be limited to $500,000), (b) the aggregate amount of such fees otherwise payable in cash for the 2016 fiscal year of Parent and its Subsidiaries and the first six (6) months of 2017 that have accrued, may be paid in cash in monthly installments not to exceed $62,500 per month commencing with the first (1st) month of the third (3rd) fiscal quarter of 2017 until paid in full (or for so long as cash payments are permitted hereunder, whichever is earlier), (c) no cash payments shall be permitted at any time after the occurrence and during the continuance of any Default or Event of Default or if, pro forma for such payment, the Loan Parties would fail to be in compliance with any applicable financial covenants under this Agreement and (d) payments of such fees to any person also entitled to board fee payments shall be reduced by the amount of such board fee payments (it being understood that the foregoing limitation on payment of management fees shall not preclude the payment by the Loan Parties of customary board fees of up to $50,000 for insider board members and such other customary amounts for non-insider independent board members and such amounts paid to non-insiders (to the extent not benefiting from payments under any Management Agreement) shall not reduce management fees otherwise permitted to be paid pursuant to this Section 6.8(c)).

6.9 **Reserved**.

6.10 **Change of Control**. Cause, permit, or suffer, directly or indirectly, any Change of Control.

6.11 **Restricted Payments**. Declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) Parent and each Subsidiary may declare and make dividend payments or other distributions payable in the Equity Interests of such Person (other than Disqualified Equity Interests) subject, as applicable, to the pledge requirements set forth in the applicable Security Documents and so long as the payment thereof would not result in a Default or Event of Default;

(b) any Subsidiary of Parent may pay or make distributions to Parent that are used to make substantially contemporaneous payments to, and Parent may make payments to, repurchase or redeem Equity Interests and options to purchase Equity Interests of Parent held by officers, non-insider directors or employees or former officers, non-insider directors or employees (or their transferees, estates or beneficiaries under their estates) of Parent pursuant to any management equity subscription agreement, employee agreement or stock option agreement or other agreement with such officer, director or employee or former officer, director or employee; provided, that, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate cash consideration paid for all such payments, repurchases or redemptions shall not in any fiscal year of Parent exceed $125,000;

(c) Parent may pay management fees to the extent permitted under Section 6.8;

(d) Parent may repurchase its Equity Interests to the extent such repurchase is deemed to occur upon (i) the noncash exercise of stock options to the extent such Equity Interests represents a portion of the exercise price of such options and (ii) the non-cash withholding of a portion of such Equity Interests to pay taxes associated therewith, and the purchase of fractional shares of Equity Interests of Parent or any Subsidiary arising out of stock dividends, splits or combinations or business combinations;

(e) any Subsidiary of Parent may pay dividends or other distributions to a Loan Party (including, without limitation, distributions to a Loan Party upon the reduction of capital (by whatsoever name called, including paid in capital, paid up capital or stated capital) of such Subsidiary); and

(f) other Restricted Payments in an aggregate amount not to exceed $25,000 from the Closing Date.

6.12 **Accounting Methods**. Modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP or as permitted under Section 1.2).

6.13 **Investments**. Directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment, except for Permitted Investments.

6.14 **Transactions with Affiliates**. Directly or indirectly, enter into or permit to exist any transaction or agreement with any Affiliate (including without limitation; any transaction or agreement to purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliates of Parent or any of its Subsidiaries), except for:

(a) any employment or compensation arrangement or agreement, employee

benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into by Parent or any of its Subsidiaries in the ordinary course of business and payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of Parent or such Subsidiary, provided, that, such transactions are not otherwise prohibited by this Agreement;

(b) transactions exclusively between the Loan Parties; provided, that, such transactions are not otherwise prohibited by this Agreement;

(c) transactions permitted under Sections 6.4, 6.8, 6.11 or 6.16 hereof and transactions permitted under clause (r) of the definition of Permitted Indebtedness herein;

(d) the West Harford Lease, the Term Loan Documents, the Third Lien Loan Documents, the Fourth Lien Note Documents and any other agreement as in effect as of the Closing Date and listed on Schedule 6.14, as each such agreement may be amended, modified, supplemented, extended, replaced, refinanced or renewed from time to time (i) in the case of any such agreement governing Indebtedness in accordance with the terms of the applicable Intercreditor Agreement and Section 6.8(b), or (ii) in the case of any other type of agreement (other than any agreement governing Indebtedness) in accordance with the prior written consent of the Required Lenders or such other consent required pursuant to the terms and provisions of Section 14 of this Agreement;

(e) the payment of reasonable and customary (i) fees and reasonable out of pocket expenses paid to directors and (ii) indemnities provided on behalf of, the directors of Parent or any Subsidiary;

(f) payments permitted under the Management Agreements in compliance with Section 6.8(c); and

(g) transactions with customers, clients, suppliers, joint venture partners (other than joint ventures with Permitted Holders or any of their Affiliates), or purchasers of, or sellers of goods or services to, a Loan Party, in each case, that are Affiliates of the Loan Parties; provided, that (i) any such transaction is made in the ordinary course of business of the Loan Parties and is in compliance with the terms of this Agreement and (ii) any such transaction is on terms that are no less favorable to Parent or the relevant Subsidiary than those that could have been obtained at the time of such transactions in a comparable transaction by Parent or such Subsidiary with an unrelated person, as determined by the independent members of the Parent's Board of Directors.

6.15 **Use of Proceeds**. Use the proceeds of the Loan, the Term Loan Agreement, the Third Lien Credit Agreement or the Fourth Lien Note Indenture for any purpose other than in accordance with the use of proceeds specified in Section 4.26 and the Flow of Funds Agreement.

6.16 **Limitation on Issuance of Equity Interests**. Except for (i) the issuance or sale of Qualified Equity Interests of Parent, (ii) the issuance and sale of Equity Interests of Parent on the Closing Date as contemplated by the Plan of Reorganization, and (iii) the issuances or sales

of Equity Interests by a Loan Party to another Loan Party, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

6.17 **Specified Canadian Pension Plans**. (i) Maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Specified Canadian Pension Plan, or (ii) acquire an interest in any Person if such Person sponsors, administers, contributes to, participates in or has any liability in respect of, any Specified Canadian Pension Plan, unless the obligation to pay any deficit under any such Specified Canadian Pension Plan would not have priority under applicable law over any Liens created by the Security Documents.

6.18 **Sale Leaseback Transactions**. Create, incur or suffer to exist, or permit any of its Subsidiaries to create, incur or suffer to exist, any obligations as lessee for the payment of rent for any real or personal property in connection with any sale and leaseback transaction.

6.19 **Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries**. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of any Loan Party (a) to pay dividends or to make any other distribution on any shares of Equity Interests of such Subsidiary owned by any Loan Party or any of its Subsidiaries, except for those expressly contemplated by Schedule 6.19, (b) to pay or prepay or to subordinate any Indebtedness owed to any Loan Party or any of its Subsidiaries, (c) to make loans or advances to any Loan Party or any of its Subsidiaries or (d) to transfer any of its property or assets to any Loan Party or any of its Subsidiaries, or permit any of its Subsidiaries to do any of the foregoing; provided, however, that nothing in any of clauses (a) through (d) of this Section 6.19 shall prohibit or restrict compliance with:

(a) this Agreement and the other Loan Documents;

(b) the Term Loan Agreement and the other Term Loan Documents;

(c) the Third Lien Credit Agreement and the other Third Lien Loan Documents;

(d) the Fourth Lien Note Indenture and the other Fourth Lien Note Documents;

(e) any applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances);

(f) in the case of clause (d), customary restrictions on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset;

(g) in the case of clause (d), any agreement, instrument or other document evidencing a Permitted Lien (or the Indebtedness secured thereby) with respect to customary restrictions that apply only to any property or assets subject thereto; or

(h) customary restrictions imposed by any agreement relating to any other Permitted Indebtedness; provided, however, that any such restrictions or conditions are no more restrictive in any material respect on the Loan Parties and their respective Subsidiaries than the terms of the Loan Documents as determined by the Required Lenders in their reasonable discretion.

6.20 **Limitations on Negative Pledges**. Enter into, incur or permit to exist, or permit any Subsidiary to enter into, incur or permit to exist, directly or indirectly, any agreement, instrument, deed, lease or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Loan Party or any Subsidiary of any Loan Party to create, incur or permit to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, or that requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents, (b) the Term Loan Agreement and the other Term Loan Documents, (c) the Third Lien Credit Agreement and the other Third Lien Loan Documents, (d) the Fourth Lien Note Indenture and the other Fourth Lien Note Documents, (e) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 6.1 of this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (f) any customary restrictions and conditions contained in the agreements relating to the sale or other disposition of assets or of a Subsidiary pending such sale or other disposition; provided that such restrictions and conditions apply only to the assets or Subsidiary to be sold or disposed of and such sale or disposition is permitted hereunder and (g) customary provisions in leases restricting the assignment or sublet thereof.

6.21 **Employee Benefits**.

(a) Terminate, or permit any ERISA Affiliate to terminate, any Pension Plan in a manner, or take any other action with respect to any Pension Plan, which could reasonably be expected to result in any material liability of any Loan Party or ERISA Affiliate to the PBGC.

(b) Fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Pension Plan, agreement relating thereto or applicable law, any Loan Party or ERISA Affiliate is required to pay if such failure could reasonably be expected to result in a Material Adverse Change.

(c) Permit to occur, or allow any ERISA Affiliate to permit to occur, any failure to satisfy the minimum funding standards under section 302 of ERISA or section 412 of the IRC, whether or not waived, with respect to any Pension Plan which exceeds $1,000,000 with respect to all Pension Plans in the aggregate.

(d) Except as could not reasonably be expected to have a material liability, acquire, or permit any ERISA Affiliate to acquire, an interest in any Person that causes such Person to become an ERISA Affiliate with respect to a Loan Party or with respect to any ERISA Affiliate if such Person sponsors, maintains or contributes to, or at any time in the six (6) year period preceding such acquisition has sponsored, maintained, or contributed to, (i) any Pension Plan or (ii) any Multiemployer Plan.

(e) Amend, or permit any ERISA Affiliate to amend, a Pension Plan resulting in a material increase in current liability such that a Loan Party or ERISA Affiliate is required to provide security to such Pension Plan under the IRC.

6.22 [Reserved.]

6.23 **Cash in Deposit Accounts**.

(a) Permit any Cash to be held in any account other than a Deposit Account (or, to the extent permitted under the Security Documents, the Excluded Accounts (as defined in the Security Agreement or any Canadian Security Document, as applicable)) and, as applicable, the Designated Account, in each case, subject to a Control Agreement (or an alternative arrangement under the laws of the Netherlands to similar effect) in favor of the Agent.

(b) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $7,000,000. For the avoidance of doubt, the Loan Parties shall not fund the IP Proceeds Account with cash other than from IP License Proceeds and other proceeds from the disposition of Intellectual Property.

6.24 **Collateral Proceeds**. Permit any Senior Priority Collateral or any proceeds thereof to be held in any account other than a Designated Account or another Deposit Account subject to a Control Agreement.

6.25 **Trade Payables**. Permit the amount of accounts payable of the Loan Parties that (i) relate to purchases of materials used in the business conducted by the Loan Parties on the Closing Date and (ii) are more than twenty-five (25) days past due beyond the due date specified in the applicable invoice relating to such materials, to exceed 40% of the total amount of accounts payable of the Loan Parties that relate to purchases of such types of materials.

6.26 **Disclosure re Lenders**. Issue or make any press release or other publication, make any disclosure in any public filing, or disclose to any Person (other than any other Loan Party or their Affiliates) any document, terms or agreement, in each case, relating in any way to this Agreement or any other Loan Document, any amendment, waiver or modification thereof, any Lender, any other actual or potential transaction or agreement (relating to a restructuring of the Loan Parties or otherwise) with any Lender (or any proposal thereof), or any discussions with respect to any of the foregoing, in each case, except (x) with the prior written consent of Required Lenders or (y) as required by applicable law.

7. FINANCIAL COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations:

7.1 **Minimum Liquidity**. The Liquidity of the Loan Parties shall be no less than $10,000,000 as of the last day of each calendar month, and not less than $7,000,000 at any time; it being understood that the amounts in the IP Proceeds Account may be included in such calculation.

7.2 **Fixed Charge Coverage Ratio**. The Fixed Charge Coverage Ratio for the Loan Parties for the most recent fiscal quarter period ending on or prior to such date shall be at least 1:1, commencing with the fiscal quarter ending June 30, 2017. Notwithstanding the foregoing, for purposes of determining compliance with the Fixed Charge Coverage Ratio for the fiscal quarters ending in 2017, the Loan Parties shall have the option to compute the numerator and denominator thereof by reference either to the most recently ended twelve month period, or the most recently ended quarters in 2017, with such election to be specified in the applicable Compliance Certificate.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 If any of the Borrowers fails to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for two (2) Business Days, or (b) all or any portion of the principal of the Obligations or any Applicable Prepayment Premium;

8.2 If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.5, 5.1, 5.2, 5.3 (solely if any Borrower or any other Loan Party is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if any Borrower refuses to allow Agent or its representatives or agents to visit such Borrower's properties, inspect its assets or books and records, examine and make copies of its books and records, or discuss such Borrower's affairs, finances, and accounts with officers and employees of such Borrower), 5.8, 5.11, 5.12, 5.13, 5.16 or 5.18 of this Agreement; provided, that the Loan Parties' failure to deliver the financial statements, reports and other items described as items (a), (b), (c), (d), (e), (f) and (q) on Schedule 5.1 shall not be an Event of Default until such failure continues for a period of three (3) Business Days or (ii) Article VI of this Agreement; or

(b) fails to perform or observe any covenant or other agreement contained in this Agreement or any other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of five (5) days after the earlier of (i) the date on which such failure shall first become known to a Responsible Officer of any Loan Party or (ii) the date on which written notice thereof is given to Administrative Borrower by Agent;

8.3 If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $2,000,000, or more (except to the extent fully covered by cash

escrowed to satisfy such judgment, order or award or (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of thirty (30) consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;

8.4 If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5 If (1) an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within thirty (30) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein or (2) any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, whether voluntary or involuntary, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any Receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any Receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for thirty (30) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for thirty (30) calendar days, or an order for relief is entered in any such proceeding; or any Loan Party shall be dissolved or liquidated (or any judgment, order or decree therefor shall be entered) except as otherwise permitted herein; or if a creditor's committee has been appointed for the business of any Loan Party under any Debtor Relief Laws or otherwise; or shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt under any Debtor Relief Laws or otherwise, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors under any Debtor Relief Laws or otherwise, or shall fail to pay its debts generally as such debts become due in the ordinary course of business; or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or if an order shall be entered approving any petition for reorganization of a Loan Party or any under any Debtor Relief Laws or otherwise and such order shall not have been reversed or dismissed within thirty (30) calendar days; or any Loan Party commits an act of bankruptcy under the BIA;

8.6 If a Loan Party or any of its Subsidiaries is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of the business affairs of Parent and its Subsidiaries, taken as a whole;

8.7 If there is (a) a default in respect of any of the Term Loan Documents, Third Lien Loan Documents, Fourth Lien Note Documents, or one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of $2,000,000 or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) could result in a right by such third Person, irrespective of whether exercised and without regard to any limitations included in any intercreditor agreement, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, (b) a default in respect of one or more Material Contracts or (c) a default in respect of or an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party;

8.8 If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.9 If the obligation of any Guarantor under the applicable Guaranty ceases to be in full force and effect;

8.10 If the Security Agreement, Canadian Security Agreement, Dutch Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted expressly herein or in the Senior Intercreditor Agreement, first priority Lien on substantially all of the Loan Parties' assets (with exclusions only to the extent expressly set forth herein or in the Security Documents), except as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement;

8.11 (a) The occurrence of any damage to, or loss, theft or destruction of, any Collateral having an aggregate book value in excess of $500,000 (exclusive of any damage to Collateral covered by insurance pursuant to which the insurer has not denied coverage) if (i) the proceeds of such insurance are not received by the Loan Parties within ninety (90) days of such occurrence and (ii) such Collateral is not repaired and/or replaced within one hundred and twenty (120) days of such occurrence or (b) any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than fifteen (15) consecutive days, the cessation or substantial curtailment of material revenue producing activities of the Loan Parties, taken as a whole;

8.12 The loss, suspension or revocation of, or failure to renew, any material license or permit now held or hereafter acquired by any Loan Parties;

8.13 (a) The indictment (or an indictment threatened in writing) of any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal capacity) under any criminal statute, or (b) commencement of, or commencement threatened in writing of, criminal or civil proceedings against any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal

capacity), solely to the extent that pursuant to such indictment, statute or proceedings, the penalties or remedies sought or available in connection therewith include forfeiture to any Governmental Authority of any material portion of the property of the Loan Parties, taken as a whole;

8.14 The validity or enforceability of any Loan Document or the Obligations shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document;

8.15 If any Loan Party ceases to have the right to use, or the Loan Parties are not in possession and control of, any Specified Government Property;

8.16 (a) The occurrence of an event or condition which could reasonably be expected to constitute grounds under 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, which could reasonably be expected to result in liability to any Loan Party in excess of $2,500,000, (b) the imposition of any liability in excess of $2,500,000 under Title I or Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of its ERISA Affiliates, (c) the occurrence of a nonexempt prohibited transaction under Section 406 or 407 of ERISA for which any Loan Party may be directly or indirectly liable and which is reasonably expected to result in a liability to any Loan Party in excess of $1,000,000, (d) receipt from the Internal Revenue Service of notice of the failure of any Employee Benefit Plan to qualify under Section 401(a) of the IRC, or the failure of any trust forming part of any Employee Plan to fail to qualify for exemption from taxation under Section 501(a) of the IRC, (e) the imposition of any lien on any of the rights, properties or assets of any Loan Party or any of its ERISA Affiliates, in either case pursuant to Title IV of ERISA, and which lien secures a liability in excess of $1,000,000 or (f) the occurrence of a Bargaining Unit Defined Benefit Plan Calculation Error; provided that any of the foregoing (other than with respect to clauses (a) and (c)) that occurs in connection with a Bargaining Unit Defined Benefit Plan Calculation Error shall not constitute a Default or Event of Default hereunder or under any of the other Loan Documents unless it is a Bargaining Unit Defined Benefit Plan Calculation Error Event;

8.17 An event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change;

8.18 A Dutch Loan Party gives notice under Section 36(2) of the 1990 Tax Collection Act (*Invorderingswet 1990*); or

8.19 A Change of Control shall occur.

Notwithstanding the foregoing, in the event that an Event of Default has occurred as a result solely of the Loan Parties' failure to comply with any of the financial covenants set forth in Section 7.1 or Section 7.2 of this Agreement, Borrowers shall have the right (the "Cure

Right") from the last day of an applicable test period until the expiration of the fifth (5th) day subsequent to the date the applicable reports or financial statements are required to be delivered to Agent with respect thereto, to issue Qualified Equity Interests for cash, borrow all or a portion of the Additional Permitted Holder Amount, incur Indebtedness under clause (r) of the definition of Permitted Indebtedness or otherwise receive cash contributions from the Permitted Holders or any of their Affiliates in an aggregate amount equal to, but not greater than, the amount necessary to cure the relevant financial covenant (the "Cure Amount"), and upon the receipt by Borrowers of the Cure Amount thereof, the financial covenant shall then be recalculated giving effect to the following pro forma adjustments: (A) in the case of an Event of Default as a result of the failure to comply with the applicable Fixed Charge Coverage Ratio, (a) Consolidated EBITDA shall be increased for the applicable fiscal quarter and (without duplication) for the subsequent three (3) consecutive Fiscal Quarters, solely for the purpose of the measuring the financial covenant in Section 7.2 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount and (b) if, after giving effect to the foregoing recalculations, Borrowers shall then be in compliance with the requirements of Section 7.2, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of the determination with the same effect as though there had been no failure to comply therewith at such date, and any Default or Event of Default in respect of such breach of Section 7.2 that has occurred shall be deemed not to have occurred for the purpose of this Agreement; and (B) in the case of the requirement of Section 7.1, (a) the amount of Liquidity shall be increased for the applicable calendar month, by an amount equal to the Cure Amount and such Cure Amount may not be used for the purpose of curing any other Event of Default at such time, or for any purpose under this Agreement, but shall be considered as Unrestricted Cash under this Agreement to the extent meeting the requirements in such definition, and (b) if, after giving effect to the forgoing recalculations, Borrowers shall then be in compliance with the requirement of Section 7.1, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of determination with the same effect as if they had been in compliance as at that date. In the event that (i) no Default or Event of Default exists other than one arising due to failure of the Borrowers to comply with the financial covenants set forth in Section 7 and (ii) Borrowers shall have delivered to Agent an irrevocable written notice to exercise the Cure Right (which notice shall be delivered no earlier than fifteen (15) days prior to, and no later than the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1) (a "Cure Notice"), which exercise if fully consummated would be sufficient in accordance with the terms hereof to cause Borrowers to be in compliance with the financial covenants as of the relevant date of determination, then following receipt by Agent of any such Cure Notice and until the date that is the fifth (5th) day subsequent to the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1, neither Agent nor any Lender shall exercise any remedies set forth in Section 9 hereof during such period solely as a result of the existence of such Defaults or Events of Default. Notwithstanding anything herein to the contrary, (i) in no event shall Borrowers be permitted to exercise the Cure Right hereunder more than three (3) times in the aggregate during period from January 1, 2017 to the Maturity Date, (ii) in each consecutive four (4) quarter period, there shall be as least two (2) fiscal quarters in which Borrowers do not exercise the Cure Right (provided that such limitation shall not apply until July 1, 2017), (iii) to the extent the Cure Amount is used to prepay the Loan, for the purposes of calculating Indebtedness during the fiscal quarter for which a Cure Amount is used, Indebtedness of the Loan Parties shall be calculated as if the Cure Amount was not applied to

reduce the Loan and (iv) in the event that Borrowers fail to timely deliver a Cure Notice, fail to receive the Cure Amount or any other Default or Event of Default shall occur (including failure to timely deliver any financial statements and other reports pursuant to Section 5.1), the funding of the Cure Amount alone shall not result in a deemed waiver or cure of any such other Default or Event of Default.

9. RIGHTS AND REMEDIES.

9.1 **Rights and Remedies**. Upon the occurrence and during the continuation of an Event of Default, Agent upon the written instruction of the Required Lenders, shall (in each case under clause (a) by written notice to Administrative Borrower), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) declare the Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower; and

(b) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents (including, without limitation, Section 9.3 hereof) or applicable law.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to any Borrower or any other Person or any act by the Lender Group, the Obligations, inclusive of all accrued and unpaid interest thereon, the Applicable Prepayment Premium and all fees and all other amounts owing under this Agreement or under any of the other Loan Documents, shall automatically and immediately become due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice of any kind, all of which are expressly waived by each Loan Party. The Loan Parties shall cooperate fully with the Agent and the Lenders in their exercise of rights and remedies, whether against the Collateral or otherwise.

Without limiting the generality of the foregoing, it is understood and agreed that if the Obligations are accelerated or otherwise become due prior to the Maturity Date, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Insolvency Proceeding (including the acceleration of claims by operation of law)), the Applicable Prepayment Premium will also be due and payable and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof, and such premiums shall be presumed to be the liquidated damages sustained by each Lender as a result of the early prepayment and the Borrowers agree that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable in the event the Loan (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 EXPRESSLY WAIVE (TO THE FULLEST EXTENT OF APPLICABLE

LAW) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUMS IN CONNECTION WITH ANY SUCH ACCELERATION. The Borrowers expressly agree (to the fullest extent of applicable law) that: (A) the Applicable Prepayment Premium is reasonable and the product of an arms' length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between the Lenders and the Borrowers giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Borrowers shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrowers expressly acknowledge that its agreement to pay the Applicable Prepayment Premium as herein described is a material inducement to the Lenders to make the Loan.

9.2 **Remedies Cumulative**. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.3 **Appointment of a Receiver**. Upon the occurrence and during the continuance of an Event of Default, Agent (upon the written direction of the Required Lenders) shall seek the appointment of a Receiver under the laws of Canada or any province thereof to take possession of all or any portion of the Collateral of any Loan Party or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a Receiver without the requirement of prior notice or a hearing. Any such Receiver shall, to the extent permitted by law, so far as concerns responsibility for his/her acts, be deemed to be an agent of such Loan Party and not Agent and the Lenders, and Agent and the Lenders shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, or his/her servants or employees, absent the gross negligence, willful misconduct or bad faith of the Agent or the Lenders as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral of any Loan Party, to preserve Collateral of such Loan Party or its value, to carry on or concur in carrying on all or any part of the business of such Loan Party and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral of such Loan Party. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including a Loan Party, enter upon, use and occupy all premises owned or occupied by a Loan Party wherein Collateral of such Loan Party may be situated, maintain Collateral of a Loan Party upon such premises, borrow money on a secured or unsecured basis and use Collateral of a Loan Party directly in carrying on such Loan Party's business or as security for loans or advances to enable the Receiver to carry on such Loan Party's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent (upon the direction of the Required Lenders), all money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Agent. Every such Receiver may, in the discretion of the Required Lenders, be vested with all or any of the rights and powers

of Agent and the Lenders. Agent (upon the direction of the Required Lenders) shall, either directly or through its nominees, exercise any or all powers and rights given to a Receiver by virtue of the foregoing provisions of this paragraph.

9.4 **Code and Other Remedies**.

(a) Code Remedies. During the continuance of an Event of Default, the Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement (including, without limitation, Section 9.1) and in any other instrument or agreement securing, evidencing or relating to any Obligation, all rights and remedies of a secured party under the Code or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, the Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Loan Party or any other Person notice or opportunity for a hearing on the Agent's claim or action, (ii) collect, receive, appropriate and realize upon any Collateral, (iii) Sell, grant option or options to purchase and deliver any Collateral (enter into contractual obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, (iv) withdraw all cash and Cash Equivalents in any Deposit Account or Securities Account of a Loan Party and apply such cash and Cash Equivalents and other cash, if any, then held by it as Collateral in satisfaction of the Obligations, and (v) give notice and take sole possession and control of all amounts on deposit in or credited to any Deposit Account or Securities Account pursuant to the related Control Agreement. The Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the Code and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold (and, in lieu of actual payment of the purchase price, may "credit bid" or otherwise set off the amount of such price against the Obligations), free of any right or equity of redemption of any Loan Party, which right or equity is hereby waived and released.

(c) Management of the Collateral. Each Loan Party further agrees, that, during the continuance of any Event of Default, (i) at the Agent's request, it shall assemble the Collateral and make it available to the Agent at places that the Agent shall reasonably select, whether at such Loan Party's premises or elsewhere, (ii) without limiting the foregoing, the Agent also has the right to require that each Loan Party store and keep any Collateral pending further action by the Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until the Agent is able to Sell any Collateral, the Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed

appropriate by the Agent and (iv) the Agent may, if it so elects, seek the appointment of a Receiver or keeper to take possession of any Collateral and to enforce any of the Agent's remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Agent shall not have any obligation to any Loan Party to maintain or preserve the rights of any Loan Party as against third parties with respect to any Collateral while such Collateral is in the possession of the Agent.

(d) Direct Obligation. Neither the Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Loan Party, any other Loan Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of the Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Loan Party absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Agent or any Lender, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(e) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on the Agent to exercise remedies in a commercially reasonable manner, each Loan Party acknowledges and agrees that it is not commercially unreasonable for the Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by the Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to Sell or for the collection or Sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature or to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other

Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature or, to the extent deemed appropriate by the Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of any Collateral or to provide to the Agent a guaranteed return from the collection or disposition of any Collateral.

(f) Each Loan Party acknowledges that the purpose of this Section 9.4 is to provide a non- exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 9.4. Without limitation upon the foregoing, nothing contained in this Section 9.4 shall be construed to grant any rights to any Loan Party or to impose any duties on the Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 9.4. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.5 **Accounts and Payments in Respect of General Intangibles**.

(a) In addition to, and not in substitution for, any other provision in this Agreement, if required by the Agent at any time during the continuance of an Event of Default, on and after the date on which at least one Deposit Account or Securities Account has been established, any payment of accounts or payment in respect of general intangibles, when collected by any Loan Party, shall be promptly (and, in any event, within 2 Business Days) deposited by such Loan Party in the exact form received, duly indorsed by such Loan Party to the Agent, in such account, subject to withdrawal by the Agent as provided in Section 9.5. Until so turned over, such payment shall be held by such Loan Party in trust for the Agent, segregated from other funds of such Loan Party. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Loan Party shall, upon the Agent's request, deliver to the

Agent all original and other documents evidencing, and relating to, the contractual obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invokes and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to the Agent and that payments in respect thereof shall be made directly to the Agent;

(ii) the Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Loan Party to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to the Agent's reasonable satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, the Agent may at any lime enforce such Loan Party's rights against such account debtors and obligors of general intangibles; and

(iii) each Loan Party shall take all actions, deliver all documents and provide all information necessary or reasonably requested by the Agent to ensure any Internet domain name is registered.

(c) Anything herein to the contrary notwithstanding, each Loan Party shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Loan Party under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

9.6 **Proceeds to be Turned over to and Held by Agent**. Unless otherwise expressly provided in this Agreement, upon the occurrence and during the continuance of an Event of Default, all proceeds of any Collateral received by any Loan Party hereunder in cash or Cash Equivalents shall be held by such Loan Party in trust for the Agent and the other Secured Parties, segregated from other funds of such Loan Party, and shall, promptly upon receipt by any Loan Party, be turned over to the Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by the Agent in cash or Cash Equivalents shall be held by the Agent in a Deposit Account or Securities Account. All proceeds being held by the Agent in a Deposit Account or Securities Account (or by such Loan Party in trust for the Agent) shall continue to be held as collateral security for the Obligations and shall not constitute payment thereof until applied as provided in this Agreement.

9.7 **Registration Rights**.

(a) Each Loan Party recognizes that the Agent may be unable to effect a

public sale of any pledged Collateral by reason of certain prohibitions contained in the Securities Act, and applicable state, provincial, territorial or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Loan Party acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Agent shall be under no obligation to delay a sale of any pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act, or under applicable state, provincial, territorial or foreign securities laws even if such issuer would agree to do so.

(b) Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the pledged Collateral pursuant to this Section 9.7, valid and binding and in compliance with all applicable Requirements of Law provided that no Loan Party shall have any obligation to publicly register any securities. Each Loan Party further agrees that a breach of any covenant contained in this Section 9.7 will cause irreparable injury to the Agent and other Secured Parties, that the Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.7 shall be specifically enforceable against such Loan Party, and such Loan Party hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under this Agreement.

9.8 **Deficiency**. Each Loan Party shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorney employed by the Agent or any other Secured Party to collect such deficiency.

10. WAIVERS; INDEMNIFICATION.

10.1 **Demand; Protest; etc**. Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which such Borrower may in any way be liable.

10.2 **The Lender Group's Liability for Collateral**. Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code and the PPSA, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers, other than any such loss or damage

resulting from the gross negligence, willful misconduct or bad faith of the Agent or any member of the Lender Group, as determined by final non-appealable order of a court of competent jurisdiction.

10.3 **Indemnification**. Borrowers and other Loan Parties shall pay, indemnify, defend, and hold the Agent-Related Persons, the Lender-Related Persons (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys (limited to one US counsel to Agent-Related Persons and one U.S. counsel and one local U.S. counsel to Lender-Related Persons, one Canadian counsel to Agent-Related Persons and one Canadian counsel to Lender-Related Persons, one Dutch counsel to Agent-Related Persons and one Dutch counsel to Lender-Related Persons and any local or regulatory counsel to Agent-Related Persons and Lender-Related Persons reasonably selected by Agent, one additional counsel for the Lenders (taken as a whole) if an Event of Default has occurred and is continuing and, if the interests of any Agent-Related Person or Lender-Related Person are distinctly and disproportionately affected, one additional counsel for such affected Person), experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (promptly upon demand of Agent but in any event not later than five (5) days of demand therefor by Agent irrespective of (1) the provisions of Section 17.10 hereof and (2) whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents), enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Parent's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, however, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders or (ii) disputes solely between or among the Lenders and their respective Affiliates; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders) relative to disputes between or among Agent (in its capacity as such) on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand), (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with, arising out of, or related to any Environmental Liabilities, Environmental Action or Remedial Action, including, without limitation, any actual or alleged presence or Release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Parent or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"); provided, that, the Indemnified Liabilities shall not include any Taxes or any costs attributable to Taxes, which shall be governed by Section 16. The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction determines by a final non-appealable order to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any

other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Loan Parties with respect thereto. To the fullest extent permitted by Requirements of Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnified Person, 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. Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, fees and expenses for documentation and negotiation of this Agreement and the other Loan Documents incurred prior to the Closing Date and payable to Orrick, Herrington & Sutcliffe LLP shall not exceed $100,000.

11. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or facsimile. In the case of notices or demands to Loan Parties or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to Loan Parties:	Colt Defense LLC 547 New Park Avenue West Hartford, CT 06110 Attn: John Coghlin Fax No. (860) 244-1442 Phone: (860) 244-1442 Email: jcoghlin@colt.com
with copies to:	O'Melveny & Myers LLP 7 Times Square New York, New York 10036 Attn: Sung Pak, Esq. Fax No.: (212) 326-2061
If to Agent:	Cantor Fitzgerald Securities 110 East 59th St. New York, NY 10022 Attn: Jon Stapleton Email: JStapleton@cantor.com
with copies to:	Cantor Fitzgerald Securities 110 East 59th St. New York, NY 10022 Attn: Nils Horning

Email: NHorning@cantor.com
Fax No.: (646) 219-1180

- and –

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
Attn: B.J. Rosen
Fax No.
Email: bjrosen@orrick.com
Phone: (212) 506-5246

If to a Lender: to the address of such Lender specified on Schedule A-1

with copies to: Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Steven B. Levine, Esq.
Fax No. (617) 856-8201
Phone: (617) 856-8587
Email: slevine@brownrudnick.com

- and -

Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Mary D. Bucci, Esq.
Fax No. (617) 289-0478
Phone: (617) 856-8134
Email: mbucci@brownrudnick.com

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile 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) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES.**

(b) **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE OF NEW YORK AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(b).**

(c) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH 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.**

(d) **SUBJECT TO THE LAST SENTENCE OF THIS SECTION 12(d) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. 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 OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT 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.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 **Assignments and Participations**.

(a) Any Lender may at any time assign to one or more Eligible Transferees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of the Obligations at the time owing to it); provided, that, any such assignment shall be subject to the following conditions:

(i) The aggregate amount of the principal outstanding balance of the Obligations of the assigning Lender subject to such assignment shall be not less than $1,000,000, unless the Agent otherwise consents, except that such minimum amount shall not apply to (A) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender or a Related Fund or (B) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000 or (C) in the case of an assignment of the entire remaining amount of the assigning Lender's Obligations at the time owing to it.

(ii) Each partial assignment shall be made as an assignment of a proportionate part of all of the assigning Lender's rights and obligations (including Loan Commitments) under this Agreement.

(iii) The consent of the Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for any assignment, other than any assignment to a Lender, an Affiliate of a Lender or a Related Fund.

(iv) The parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance (substantially in the form of Exhibit A-1), together with a processing fee of $3,500; provided, that Agent may, in its discretion, elect to reduce or waive such processing fee in the case of any assignment (and shall waive such fee if the assignment is from a Lender to an Affiliate of such Lender), and the assignee, if it is not a Lender, shall deliver to the Agent an administrative questionnaire in a form reasonably satisfactory to Agent.

(v) No such assignment shall be made to (A) a Loan Party or an Affiliate of any Loan Party, (B) any Defaulting Lender or any of its Subsidiaries or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or one of its Subsidiaries, (C) a natural Person or (D) any Disqualified Lender.

(vi) Borrowers and Agent may continue to deal solely and directly with a Lender in connection with the interest so assigned to an Assignee until (A) written notice of

such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Administrative Borrower and Agent by such Lender and the Assignee, or (B) such Lender and its Assignee have delivered to Administrative Borrower and Agent an Assignment and Acceptance and Agent has notified the assigning Lender of its receipt thereof in accordance with this Section 13.1(a) and the satisfaction of the other conditions herein.

(b) From and after the date that Agent has recorded the assignment in the Register and Agent notifies the assigning Lender (with a copy to Administrative Borrower) that it has received an executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this

Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Loan Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender, and (v) all amounts payable (other than with respect to Section 16) by Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Loan Parties, the Collections of Loan Parties, the Collateral, or otherwise in respect of the Obligations. For the avoidance of doubt, a Participant shall be entitled to the benefits of Section 16 (subject to the requirements and limitations therein, including the requirements under Section 16.2 and the provisions of Section 14.2) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 13.1. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all

documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Loan (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"), a copy of which shall be made available to each Lender promptly upon its request therefor. A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register in the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 **Successors**. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties hereto; provided, however, that no Borrower may assign this Agreement or any rights or duties hereunder without the Lenders' prior written

consent and notice thereof to Agent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and no consent or approval by any Borrower is required in connection with any such assignment.

14. AMENDMENTS; WAIVERS.

14.1 **Amendments and Waivers**.

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than the Fee Letter), and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Loan Commitment of any Lender,

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document or change any of the foregoing from cash payments to payments-in-kind,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (iii)),

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 15.11,

(vi) release Agent's Lien in and to any of the Collateral, except as permitted by Section 15.11,

(vii) amend, modify, or eliminate the definition of "Required Lenders" or "Pro Rata Share,"

(viii) contractually subordinate any of Agent's Liens, except as permitted by Section 15.11,

(ix) release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents, except in connection with a merger, wind-up, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents,

(x) amend, modify, or eliminate any of the provisions of Section 2.2(b)(i) or (ii) or Section 2.2(f), or

(xi) amend, modify, or eliminate any of the provisions of Section 13.1(a) to permit a Loan Party or an Affiliate of a Loan Party to be permitted to become an Assignee.

(b) No waiver, amendment, or consent shall, unless in writing and signed by 66.67% of the Lenders and all of the Loan Parties that are party thereto, shall amend, modify, or eliminate Section 7 hereto.

(c) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive (i) the definition of, or any of the terms or provisions of, the Fee Letter, without the written consent of Agent and Borrowers (and shall not require the written consent of any of the Lenders), and (ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers, and the Required Lenders. Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the consent of Loan Parties and Lenders shall not be required for the exercise by Agent of any of its rights under this Agreement in accordance with the terms of this Agreement.

(d) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of any Loan Party, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(ii) through (iii).

14.2 **Replacement of Certain Lenders**.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16 and such Lender has declined to designate a different lending office, then Borrowers or Agent, upon at least five (5) Business Days' prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Holdout Lender") or any Lender that made a claim for compensation (a "Tax Lender") with

one or more Replacement Lenders, and the Holdout Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Holdout Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Holdout Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever (other than the Applicable Prepayment Premium, which shall be due to such Lender in the event that such Lender is deemed to be a Holdout Lender based on clause (i) of the definition of Holdout Lender as a result of its failure to provide a consent, authorization or agreement as contemplated in such clause (i)), but including all interest, fees and other amounts that may be due and payable in respect thereof and its existing rights to payment pursuant to Section 16). If the Holdout Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Holdout Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Holdout Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Holdout Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations and the other rights and obligations of the Holdout Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Holdout Lender or Tax Lender, as applicable, shall remain obligated to make the Holdout Lender's or Tax Lender's, as applicable, Pro Rata Share of the Loan.

14.3 **No Waivers; Cumulative Remedies**. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement, or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by each Loan Party of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. AGENT; THE LENDER GROUP.

15.1 **Appointment and Authorization of Agent**. Each Lender hereby designates and appoints Cantor Fitzgerald Securities as its agent under this Agreement and the other Loan Documents (including, without limitation, the Intercreditor Agreement) and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents (including, without limitation, each Intercreditor Agreement) on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document (including, without limitation, each Intercreditor Agreement) and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any

other Loan Document or any of the Intercreditor Agreements, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) make the Loan, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) exclusively receive, apply, and distribute the Collections of Parent and its Subsidiaries as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes with respect to the Collateral and the Collections of Parent and its Subsidiaries, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses, at the expense of the Loan Parties, as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents. The provisions of this Section 15 (other than as provided in Section 15.9 and Section 15.11(a)) are solely for the benefit of the Agent and the Lenders and no Loan Party shall have any rights as a third-party beneficiary of any of the provisions hereof (other than as provided in Section 15.9 and Section 15.11(a)). In performing its functions and duties hereunder, the Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with any Loan Party.

15.2 **Delegation of Duties; Appointment of Subagents**. (a) Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or

attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction). 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 Affiliates. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 15 shall apply to any such sub-agent and to any of the Affiliates of Agent and any such sub-agents, and shall apply to their respective activities as if such sub-agent and Affiliates were named herein in connection with the transactions contemplated hereby and by the Loan Documents. For the avoidance of doubt, the Agent's Affiliates, officers, directors, employees, attorneys and agents shall be third-party beneficiaries under this Agreement. The rights, benefits and privileges afforded to the Agent-Related Persons shall not be modified or amended without the express written consent of the Agent.

15.3 **Liability of Agent**. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, the perfection or priority of any Lien, or for any failure of Parent or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries. Notwithstanding the terms and provisions of the Intercreditor Agreements or any reference to the Intercreditor Agreements or the Other Loan Documents herein, none of the Agent-Related Persons shall be liable for any action taken or omitted to be taken by any of them under any of the Intercreditor Agreements or under this Agreement relating to any of the Intercreditor Agreements or any of the Other Loan Documents unless directed in writing by the Required Lenders not to take or to omit to take any such action, which direction shall, in the case of a payment required to be made to the Term Loan Agent, Third Lien Agent or Fourth Lien Trustee, as the case may be, specify the amount of such payment.

15.4 **Reliance by Agent**. Agent shall be entitled to rely, and shall be fully protected in relying, upon (i) any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and (ii) advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first

be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take or refraining from taking any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

15.5 **Notice of Default or Event of Default**. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or any Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, however, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6 **Credit Decision**. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Parent and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrowers. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender with any credit or other information with

respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

15.7 **Costs and Expenses; Indemnification**. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the Collections of Parent and its Subsidiaries received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by Parent or its Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable share thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so) from and against any and all Indemnified Liabilities; provided, that, no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make any Loan or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out-of-pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder, the termination of this Agreement and the resignation or replacement of Agent.

15.8 **Agent in Individual Capacity**. Agent and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Agent were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Agent or its Affiliates may receive information regarding Borrowers or their Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrowers or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality

obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" may include Agent in its individual capacity.

15.9 **Successor Agent**. Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and Administrative Borrower (unless such notice is waived by Administrative Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Administrative Borrower (such consent not to be unreasonably withheld, delayed, or conditioned), appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with the Administrative Borrower and with the consent of the Required Lenders, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders with (so long as no Event of Default has occurred and is continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

15.10 **Lender in Individual Capacity**. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11 **Collateral Matters; Credit Bidding**.

(a) Subject to Section 15.11(b), the Lenders hereby irrevocably authorize Agent, upon the written direction of the Required Lenders, to release, or subordinate, any Lien

on any of the Collateral (i) upon payment and satisfaction of all of the Obligations, or (ii) constituting property being sold or disposed of if Administrative Borrower or any Loan Party certifies to Agent and the Required Lenders that the sale or disposition is made in compliance with Section 6.4 (and Agent and the Required Lenders may rely conclusively on any such certificate, without further inquiry), or (iii) constituting property in which any Loan Party did not own an interest at the time the security interest, mortgage or lien was granted or at any time thereafter, or (iv) having a value in the aggregate in any twelve (12) month period of less than $2,500,000, and to the extent Agent (at the direction of the Required Lenders) may release its Lien on any such Collateral pursuant to the sale or other disposition thereof, such sale or other disposition shall be deemed consented to by the Lenders, or (v) if required or permitted under the terms of any of the other Loan Documents, including any Intercreditor Agreement, or (vi) constituting property leased to a Loan Party under a lease that has expired or is terminated, or (vii) subject to Section 14.1, the Canadian Security Documents and the other Security Documents, if the release is approved, authorized or ratified in writing by the Required Lenders. Upon request by Agent or any Borrower at any time, the Lenders will confirm in writing Agent's authority to release or subordinate any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that, (1) Agent shall not be required to execute any document necessary to evidence such release or subordination on terms that, in Agent's opinion, would expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release or subordination shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released or subordinated) upon (or obligations of any Borrower in respect of) all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. The Lenders further hereby irrevocably authorize Agent, upon the direction of the Required Lenders, to subordinate any Lien granted to or held by Agent under any Loan Document to the holder of any Permitted Lien on such property if such Permitted Lien secures Permitted Purchase Money Indebtedness.

(b) The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the written instruction of the Required Lenders, to (A) consent to, credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code or other bankruptcy laws, including under Section 363 of the Bankruptcy Code, (B) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code or the PPSA, including pursuant to Sections 9-610 or 9-620 of the Code, or (C) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any other sale or foreclosure conducted by Agent (whether by judicial action or otherwise) in accordance with applicable law. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such claims cannot be estimated without unduly delaying the ability of Agent to credit bid, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the asset or assets purchased by means of such credit bid) and the Lenders whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to

the aggregate amount of Obligations so credit bid) in the asset or assets so purchased (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such purchase), and (ii) the Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such acquisition vehicle or vehicles and in connection therewith the Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration.

(c) Agent shall have no obligation whatsoever to any of the Lenders to assure that the Collateral exists or is owned by a Loan Party or is cared for, protected, or insured or has been encumbered, or that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion, regardless of whether Agent shall obtain its own interest in the Collateral in its capacity as one of the Lenders and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise provided herein.

(d) In no event shall the Agent be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Notwithstanding any provision of this Agreement, the Agent shall not have any duties or responsibilities except those expressly set forth herein and the permissive provisions with respect to the Agent set forth herein shall not be deemed to be duties. Notwithstanding anything to the contrary contained herein, the Agent shall have no responsibility for the preparing, recording, filing, re-recording, or re-filing of any financing statement, continuation statement or other instrument in any public office. In no event shall the Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

15.12 **Restrictions on Actions by Lenders; Sharing of Payments**.

(a) Each of the Lenders agrees that it shall not, without the express written consent of the Required Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of the Required Lenders, set off against the Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Required Lenders, take or

cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, however, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

15.13 **Agency for Perfection**. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code or in accordance with the PPSA or the Securities Transfer Act of any applicable jurisdictions in Canada can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent and the Required Lenders thereof, and, promptly upon Agent's request (upon the direction of the Required Lenders) therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

15.14 **Payments by Agent to the Lenders**. All payments to be made by Agent to the Lenders shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with, or promptly following each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15 **Concerning the Collateral and Related Loan Documents**. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents (including, without limitation, the Intercreditor Agreement). Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

15.16 **Field Examination Reports; Confidentiality; Disclaimers by Lenders; Other**

Reports and Information.

(a) By becoming a party to this Agreement, each Lender:

(i) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each collateral report or field examination report respecting Parent or its Subsidiaries (each, a "Report") prepared by or at the request of Required Lenders, and Agent shall so furnish each Lender with such Reports,

(ii) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(iii) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any audit or examination will inspect only specific information regarding Parent and its Subsidiaries and will rely significantly upon Parent's and its Subsidiaries' books and records, as well as on representations of each Borrower's personnel,

(iv) agrees to keep all Reports and other material, non-public information regarding Parent and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(v) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Agent and any such other 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.

(b) In addition to the foregoing: (i) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by Parent or any Subsidiary of Parent to Agent that has not been contemporaneously provided by Parent or its Subsidiaries to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender; (ii) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Parent or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of such Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Parent or its Subsidiaries, Agent promptly shall provide a copy of same to such Lender; and (iii) any time that Agent renders to any Borrower a statement

regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

15.17 **Agent May File Proofs of Claim.**

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, Agent (irrespective of whether the principal of any Obligations shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrowers) shall be entitled and empowered, upon the direction of the Required Lenders, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Obligations 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 Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Agent and their respective agents and counsel) and all other amounts due Lenders and Agent allowed in such judicial proceeding; and

(ii) 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 Agent and, in the event that Agent and the Required Lenders shall consent to the making of such payments directly to Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent.

(b) Nothing contained herein shall be deemed to authorize 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 Agent to vote in respect of the claim of any Lender in any such proceeding.

15.18 **Several Obligations; No Liability**. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder, shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis in accordance with such Lender's percentage of the Loan outstanding. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Borrower or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for such Lender or on its behalf, nor to take any other action on behalf of such Lender hereunder or in connection with the financing contemplated herein.

15.19 **Appointment for the Province of Québec**. Without prejudice to Section 15.1 above, each member of the Lender Group hereby appoints Agent as the hypothecary representative (within the meaning of Article 2692 of the Civil Code of Québec) of the Lender Group, to enter into, to take and to hold on their behalf, and for their benefit, any deed of hypothec ("Deed of Hypothec") to be executed by any one or more of the Borrowers or Guarantors granting one or more hypothecs pursuant to the laws of the Province of Québec (Canada) as security for the payment and performance of, *inter alia*, the Obligations, and to exercise such powers and duties which are conferred thereupon under such deed. In this respect, each of the members of the Lender Group will be entitled to the benefits of any property or assets charged under the Deed of Hypothec and will participate in the proceeds of realization of any such property or assets. Agent, in such aforesaid capacity as hypothecary representative shall (A) upon the direction of the Required Lenders have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to Agent as hypothecary representative with respect to the property or assets charged under the Deed of Hypothec, any applicable law or otherwise, and (B) benefit from and be subject to all provisions hereof with respect to the Agent mutatis mutandis, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lender Group, the Borrowers or the Guarantors. The execution prior to the date hereof by Agent of any Deed of Hypothec or other security documents made pursuant to the laws of the Province of Québec (Canada) is hereby ratified and confirmed. In the event of the resignation and appointment of a successor Agent, such successor Agent shall also be appointed to act as hypothecary representative without further formality, except the filing of a notice of replacement of hypothecary representative pursuant to Article 2692 of the Civil Code of Québec.

15.20 **Dutch Parallel Debt**.

(a) In this clause:

"Dutch Parallel Debt" means any amount which a Loan Party owes to the Agent under this Clause.

"Underlying Debt" means at any given time, each Obligation (whether present or future, actual or contingent) owing by a Loan Party to a Finance Party under the Loan Documents (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Loan Document, in each case whether or not anticipated as of the date of this Agreement, for the avoidance of doubt, excluding that Loan Party's Dutch Parallel Debt.

(b) Each Loan Party irrevocably and unconditionally undertakes to pay to the Agent amounts equal to, and in the currency or currencies of, its Underlying Debt.

(c) The Dutch Parallel Debt of each Loan Party: (a) shall become due and payable at the same time as its Underlying Debt and (b) is independent and separate from, and without prejudice to, its Underlying Debt.

(d) For purposes of this Clause, the Agent: (a) is the independent and separate creditor of each Dutch Parallel Debt, (b) acts in its own name and not as agent, representative or

trustee of the Finance Parties and its claims in respect of each Dutch Parallel Debt shall not be held on trust, and (c) shall have the independent and separate right to demand payment of each Dutch Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(e) The Dutch Parallel Debt of a Loan Party shall be (a) decreased to the extent that its Underlying Debt has been irrevocably and unconditionally paid or discharged, and (b) increased to the extent to that its Underlying Debt has increased, and the Underlying Debt of a Loan Party shall be (x) decreased to the extent that its Dutch Parallel Debt has been irrevocably and unconditionally paid or discharged, and (y) increased to the extent that its Dutch Parallel Debt has increased, in each case provided that the Dutch Parallel Debt of a Loan Party shall never exceed its Underlying Debt.

(f) All amounts received or recovered by the Agent in connection with this Clause, to the extent permitted by applicable law, shall be applied in accordance with Section 5 (Application of Proceeds) of the Intercreditor Agreement.

This Clause applies for the purpose of determining the secured obligations in the Security Documents governed by Dutch law.

16. WITHHOLDING TAXES.

16.1 **No Setoff; Payments**.

(a) All payments made by any Loan Party under any Loan Document will be made without setoff, counterclaim or other defense. In addition, all such payments will be made free and clear of, and without deduction or withholding for, any present or future Taxes unless deduction or withholding of any Taxes is required under applicable law. If any deduction or withholding of any Tax is required by law, the applicable withholding agent shall make such deduction or withholding and shall timely pay to the relevant Governmental Authority such amounts in accordance with applicable law. To the extent such Tax is an Indemnified Tax, the applicable Loan Party shall pay such additional amounts as may be necessary so that, after such required deduction or withholding of Indemnified Tax (including any Indemnified Tax on the additional amounts payable under this Section 16.1), the amount payable to the affected Agent or Lender (as applicable) by any Loan Party is equal to the same amount that would have been so payable had no such deduction or withholding of Indemnified Tax been required under applicable law.

(b) Administrative Borrower will furnish to Agent as promptly as possible after the date of payment by Loan Parties of any Tax pursuant to this Section 16.1, certified copies of tax receipts evidencing such payment by Loan Parties or other evidence reasonably satisfactory to Agent.

(c) Loan Parties agree to pay any present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges, or similar levies that arise from any payment made hereunder or from the execution, delivery, performance, recordation, or filing of, or otherwise with respect to this Agreement or

any other Loan Document (collectively, "Other Taxes").

(d) The Loan Parties shall jointly and severally indemnify each recipient of amounts payable under this Section 16.1, within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such recipient or required to be withheld or deducted from a payment to such recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes 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, which also describes in reasonable detail the basis for such payment or liability, delivered to the Administrative Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

16.2 **Exemptions**.

(a) If a Lender or Participant is entitled to claim an exemption or reduction from United States withholding tax, such Lender or Participant agrees with and in favor of Agent, to deliver to Administrative Borrower and Agent (or, in the case of a Participant, to the Lender granting the participation only) whichever of the following is applicable before receiving its first payment under the Loan Documents:

(i) if such Lender or Participant is entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant, substantially in the form of Exhibit D-1, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of any Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation described in Section 881(c)(3)(C) of the IRC (a "U.S. Tax Compliance Certificate"), and (B) a properly completed and executed IRS Form W-8BEN, or Form W-8BEN-E;

(ii) if such Lender or Participant is entitled to claim an exemption from, or a reduction of, withholding tax under a United States tax treaty, a properly completed and executed copy of IRS Form W-8BEN or Form W-8BEN-E;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) [reserved];

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

U.S. Tax Compliance Certificate substantially in the form of Exhibit D-4 on behalf of each such direct and indirect partner;

(vi) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding tax; or

(vii) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Administrative Borrower or Agent as may be necessary for Administrative Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under Section 1471 through 1474 of the IRC or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (vii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) Each Lender or Participant shall provide new forms (or successor forms) upon the expiration, invalidity or obsolescence of any previously delivered forms and shall promptly notify Administrative Borrower and Agent (or, in the case of a Participant, the Lender granting the participation only) in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant claims an exemption from, or reduction of, withholding or backup withholding tax in a jurisdiction other than the United States, such Lender or such Participant agrees with and in favor of Agent and the Administrative Borrower to deliver to Administrative Borrower and Agent in writing (or, in the case of a Participant, to the Lender granting the participation only), before receiving its first payment under the Loan Documents (and/or thereafter from time to time if reasonably requested by the Agent or Administrative Borrower), any such form or other information as may be required under the laws of such jurisdiction (including any administrative policy or practice of such jurisdiction) as a condition to exemption from, or reduction of, withholding or backup withholding tax, but only if such Lender or such Participant is legally able to deliver such forms and if in such Lender's or Participant's judgment the completion, execution or submission of such forms would not subject such Lender or Participant to any material unreimbursed cost or expense and would not materially prejudice the legal or commercial position of such Lender. Each Lender and each Participant shall provide new forms (or successor forms) or information upon the expiration, invalidity or obsolescence of any previously delivered forms or information and promptly notify Administrative Borrower and Agent (or, in the case of a Participant, the Lender granting the participation only) in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding tax and such Lender or Participant sells, assigns, grants a participation in, or

otherwise transfers all or part of the Obligations of Borrowers, such Lender or Participant agrees to notify Administrative Borrower and Agent (or, in the case of a sale of a participation interest, the Lender granting the participation only) of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrowers. To the extent of such percentage amount, Agent will treat such Lender's or such Participant's documentation or information provided pursuant to Section 16.2(a), 16.2(b) or 16.2(c) as no longer valid. With respect to such percentage amount, such Participant or Assignee shall provide new documentation or information, pursuant to Section 16.2(a), 16.2(b) or 16.2(c), if applicable. Each Loan Party agrees that each Participant shall be entitled to the benefits of this Section 16 (subject to the limitations set forth in Section 13.1(e) and Section 14.2 as if the Participant were a Lender) with respect to its participation in any portion of the Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

16.3 **Reductions**.

(a) If a Lender or a Participant is entitled to a reduction in the applicable withholding tax, Agent (or, in the case of a Participant, the Lender granting the participation) may deduct or withhold from any interest payment to such Lender or such Participant an amount equivalent to the applicable withholding tax after taking into account such reduction. If the forms or other documentation or information required by Sections 16.2(a), 16.2(b) or 16.2(c) are not delivered by a Lender or Participant to the applicable Loan Party or Agent (or, in the case of a Participant, to the Lender granting the participation), then the applicable Loan Party or Agent (or, in the case of a Participant, the Lender granting the participation), as applicable, shall deduct or withhold amounts required to be withheld by applicable laws from any payment to such Lender or such Participant not providing such forms or other documentation or information at the applicable statutory rate.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, the Lender granting the participation) did not properly deduct or withhold tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form or information was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent harmless (or, in the case of a Participant, such Participant shall indemnify and hold the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, the Lender granting the participation), as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys' fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all Obligations and the resignation or replacement of Agent.

16.4 **Lender Indemnification**. Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so in accordance with Section 16.1), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(i) relating to the maintenance of a Participant Register and (iii) any non-Indemnified Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 16.4.

16.5 **Refunds**. If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrowers (but only to the extent of payments made, or additional amounts paid, by any Loan Party under this Section 16 with respect to Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such a refund); provided, that the Loan Parties, upon the request of Agent or such Lender, agree to repay the amount paid over to the Loan Parties (plus any penalties, interest or other charges, imposed by the relevant Governmental Authority in respect thereof) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 16.5, in no event will Agent or a Lender, as the case may be, be required to pay any amount to the Loan Parties pursuant to this Section 16.5 the payment of which would place Agent or such Lender in a less favorable net after-tax position than the Agent or such Lender would have been in if the tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such tax had never been paid. Notwithstanding anything in this Agreement to the contrary, this Section 16.5 shall not be construed to require Agent or any Lender to make available its tax returns (or any other confidential information which it in good faith deems confidential) to any Borrower or any other Person.

16.6 **Survival**. Each party's obligations under this Section 16 shall survive the resignation or replacement of the Agent or any assignment of rights by, or replacement of, a Lender, the termination of the Loan Commitments and the repayment, satisfaction or discharge of all Obligations.

17. GENERAL PROVISIONS.

17.1 **Effectiveness**. This Agreement shall be binding and deemed effective when executed by each Loan Party, Agent, and each Lender whose signature is provided for on the signature pages hereof upon satisfaction of all the conditions precedent pursuant to Section 3.1.

17.2 **Section Headings**. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 **Interpretation**. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 **Severability of Provisions**. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 **Right of Setoff.**. If an Event of Default shall have occurred and be continuing, any Lender and any Affiliate of any Lender is hereby authorized at any time and from time to time, 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) at any time held and other obligations at any time owing by such Lender or Affiliate of a Lender to or for the credit or the account of any Loan Party against any of and all the Obligations held by such Lender or Affiliate of a Lender, irrespective of whether or not such Lender or Affiliate of a Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender or Affiliate of a Lender shall notify the Borrower and the Agent of such set-off or application; provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. If any Lender shall, by exercising any right of set-off, obtain payment in respect of any principal of or interest on any of its respective portion of the Loan resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its respective portion of the Loan and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loan of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective portion of the Loan; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 17.5 shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement. The Borrowers consent to the foregoing and agree, to the extent they may effectively do so under applicable law. The rights of each Lender or Affiliate of a Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Affiliate of a Lender may have.

17.6 **Debtor-Creditor Relationship**. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship

between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7 **Counterparts; Electronic Execution**. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

17.8 **Revival and Reinstatement of Obligations.**. If the incurrence or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should for any reason subsequently be asserted, or declared, to be void or voidable under any state, provincial, territorial or federal law relating to creditors' rights, including provisions of the Bankruptcy Code (or under any bankruptcy or insolvency laws of Canada, including the BIA, the CCAA and the Winding-Up Act) relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (each, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys' fees of the Lender Group related thereto, the liability of Borrowers or Guarantors automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

17.9 **Confidentiality**.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that non-public information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group; provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under clause (iii) or (iv), the disclosing party agrees to provide Administrative Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Administrative Borrower

pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under clause (iii) or (iv) shall be limited to the portion of the Confidential Information as may be required by such regulatory authority, statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process; provided, that, (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Administrative Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information hereunder subject to the terms of this Section 17.9, (ix) to any counterparty in connection with any swap or derivative transaction; provided that prior to receipt of Confidential Information such counterparty shall have agreed in writing to receive such Confidential Information hereunder subject to the terms of this Section 17.9, (x) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (xi) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, and (xii) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document.

(b) Anything in this Agreement to the contrary notwithstanding, Agent (upon the direction of the Required Lenders) may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or for its marketing materials, with such information to consist of deal terms and other information customarily found in such publications or marketing materials and may otherwise use the name, logos, and other insignia of Borrowers and the other Loan Parties and the Loan Commitments provided hereunder in any "tombstone," press releases, or other advertisements, on its website or in other marketing materials of Agent.

17.10 **Lender Group Expenses**. Borrowers agree to pay any and all Lender Group Expenses promptly upon demand therefor by Agent or the Lenders. Borrowers agree that their respective obligations contained in this Section 17.10 shall survive payment or satisfaction in full of all other Obligations and the termination of this Agreement.

17.11 **Survival**. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or

pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent, or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any loan or any fee or any other amount payable under this Agreement is outstanding. All indemnity obligations of the Loan Parties in the Loan Documents shall survive the repayment in full of the Obligations and the termination of the Loan Documents.

17.12 **Patriot Act**. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrowers that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct (a) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and (b) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and each Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of such Borrower.

17.13 **Integration**. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

17.14 **Administrative Borrower as Agent for Borrowers**. Each Borrower hereby irrevocably appoints and constitutes Colt US ("Administrative Borrower") as its agent and attorney-in-fact to request and receive the Loan pursuant to this Agreement and the other Loan Documents from Agent, or any Lender in the name or on behalf of such Borrower. Agent and Lenders may disburse the Loan to such bank account of Administrative Borrower or a Borrower or otherwise make such Loan to a Borrower as Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. Notwithstanding anything to the contrary contained herein, Agent (upon the direction of the Required Lenders) may at any time and from time to time require that the Loan to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(a) Administrative Borrower hereby accepts the appointment by Borrowers to act as the agent and attorney-in-fact of Borrowers pursuant to this Section 17.14. Administrative Borrower shall ensure that the disbursement of any portion of the Loan to each Borrower requested by or paid to or for the account of Colt US shall be paid to or for the account of such Borrower.

(b) Each Borrower and Guarantor hereby irrevocably appoints and constitutes

Administrative Borrower as its agent to receive statements on account and all other notices from Agent, and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(c) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower or any Guarantor by Administrative Borrower shall be deemed for all purposes to have been made by such Borrower or Guarantor, as the case may be, and shall be binding upon and enforceable against such Borrower or Guarantor to the same extent as if made directly by such Borrower or Guarantor.

(d) No resignation or termination of the appointment of Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to Agent. If the Administrative Borrower resigns under this Agreement, Borrowers shall be entitled to appoint a successor Administrative Borrower (which shall be a Borrower) by written notice to Agent. Upon delivery to Agent of the written acceptance of its appointment as successor Administrative Borrower hereunder, such successor Administrative Borrower shall succeed to all the rights, powers and duties of the retiring Administrative Borrower and the term "Administrative Borrower" shall mean such successor Administrative Borrower and the retiring or terminated Administrative Borrower's appointment, powers and duties as Administrative Borrower shall be terminated.

17.15 **Currency Indemnity**. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any of the other Loan Documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any of the other Loan Documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the exchange rate at which Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the rate of exchange rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Agent of the amount due, Borrowers will, on the date of receipt by Agent, pay such additional amounts, if any, as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by Agent is the amount then due under this Agreement or such other of the Loan Documents in the Currency Due. If the amount of the Currency Due which Agent is able to purchase is less than the amount of the Currency Due originally due to it, Borrowers and Guarantors shall indemnify and save Agent harmless from and against loss or damage arising as a result of such deficiency. If the amount of the Judgment Currency which Agent is able to purchase is greater than the amount of the Judgment Currency original due it, Agent agrees, so long as no Event of Default has occurred and is continuing, to return the amount of any excess to Borrowers (or to any other Person who may be entitled thereto under applicable law). The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any of the other Loan Documents or under any judgment or order.

17.16 **Anti-Money Laundering Legislation**.

(a) Each Loan Party acknowledges that, pursuant to the Proceeds of Crime Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, "AML Legislation"), Agent and Lenders may be required to obtain, verify and record information regarding each Loan Party, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Administrative Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assign or participant of a Lender or Agent, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(c) Notwithstanding the provisions of this Section and except as may otherwise be agreed in writing, each Lender agrees that Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Loan Parties or any such authorized signatory in doing so.

17.17 **Quebec Interpretation**. For all purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) "personal property" shall include "movable property", (b) "real property" shall include "immovable property", (c) "tangible property" shall include "corporeal property", (d) "intangible property" shall include "incorporeal property", (e) "security interest", "mortgage" and "lien" shall include a "hypothec", "prior claim" and a "resolutory clause", (f) all references to filing, registering or recording under the Code or PPSA shall include publication under the Civil Code of Quebec, (g) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (h) any "right of offset", "right of setoff" or similar expression shall include a "right of compensation", (i) "goods" shall include corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary", (k) "construction liens" shall include "legal hypothecs" in favour of persons having taken part in the construction or renovation of an immovable, (l) "joint and several" shall include solidary, (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (o) "easement" shall include

"servitude", (p) "priority" shall include rank or "prior claim", as applicable, (q) "survey" shall include "certificate of location and plan", (r) "fee simple title" shall include "ownership", (s) "leasehold interest" shall include a "valid lease", and (v) "lease" shall include a "leasing contract".

17.18 **Most Favored Nations.** In the event that the Term Loan Debt is refinanced (in whole or in part) at any time (subject to any additional limitations in the Senior Intercreditor Agreement), and such refinanced facility (x) has yield or (y) reporting or information that are more favorable (as determined by the Lenders) to the Lenders as compared to the terms, provisions or economics under this Agreement or any other Loan Document, then any such more favorable provisions shall automatically be incorporated into this Agreement or such other Loan Document. Each Loan Party agrees to execute, acknowledge and deliver any and all documents, certificates, instruments or agreements as the Agent or any Lender may reasonably request from time to time in order to incorporate such provisions.

17.19 **Intercreditor Agreement Governs.** Notwithstanding anything herein or in any other Loan Document to the contrary:

(a) The terms of the Loan Documents, the Liens created by any Security Documents and the rights and remedies of the Lender Group hereunder and thereunder are subject to the terms of the Intercreditor Agreement.

(b) In the event of any conflict or inconsistency between the terms of the Intercreditor Agreement, on one hand, and the terms of this Agreement or any other Loan Document, on the other hand, the terms of the Intercreditor Agreement shall govern and control.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

COLT DEFENSE LLC

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT HOLDING COMPANY LLC

By:_____
Name:
Title:

COLT SECURITY LLC

By:_____
Name:
Title:

CDH II HOLDCO INC.

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT FINANCE CORP.

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

NEW COLT HOLDING CORP.

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT'S MANUFACTURING COMPANY LLC

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT DEFENSE TECHNICAL SERVICES LLC

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT CANADA CORPORATION

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT INTERNATIONAL COÖPERATIEF U.A.

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT'S MANUFACTURING IP HOLDING COMPANY LLC

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

COLT CANADA IP HOLDING COMPANY

By:_____
Name: Dennis Veilleux
Title: President and
Chief Executive Officer

CANTOR FITZGERALD SECURITIES, as Agent

By: _____

Name:
Title:

[LENDERS – TO BE INSERTED]

Schedule 1.1

As used in the Agreement, the following terms shall have the following definitions:

"Account" means an account (as that term is defined in the Code).

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Additional Documents" has the meaning specified therefor in Section 5.12 of the Agreement.

"Additional Permitted Holder Amount" has the meaning specified in the recitals of the Agreement.

"Administrative Borrower" has the meaning specified therefor in Section 17.14 of the Agreement.

"Affected Lender" has the meaning specified therefor in Section 2.9(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests of such Person, by contract, or otherwise; provided, however, that, for purposes of Section 6.14 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests of such Person having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each current and former (within the five-year period prior to the Closing Date) officer and/or director (or comparable manager) of a Loan Party or of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of a Loan Party shall be deemed to be an Affiliate of such a Loan Party, (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person and (d) any Person that is a current or former (within the five-year period prior to the Closing Date) partner, member or principal (or any employee acting in any such capacity) of any Loan Party or a consultant (other than any consultants, financial advisors and/or other third party service providers of nationally recognized standing) of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of a Loan Party shall be deemed to be an Affiliate of a Loan Party.

"Agent" has the meaning specified therefor in the preamble to the Agreement.

"Agent's Account" means the Deposit Account of Agent designated in writing by Agent from time to time.

"Agent's Liens" means the Liens granted by Parent or its Subsidiaries to Agent under the Loan Documents.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

"Agreement" has the meaning specified therefor in the preamble to the Agreement.

"AML Legislation" has the meaning specified in Section 17.16 of the Agreement.

"Applicable Prepayment Premium" means, as of any date of determination, an amount equal to: (a) during the period from the Closing Date through the first anniversary of the Closing Date, 6.0% of the Loan repaid; (b) during the period from the day after the first anniversary of the Closing Date through the second anniversary of the Closing Date, 5.0% of the Loan repaid; (c) during the period from the day after the second anniversary of the Closing Date through the third anniversary of the Closing Date, 4.0% of the Loan repaid; (d) during the period from the day after the third anniversary of the Closing Date through the date that is six months after the third anniversary of the Closing Date, 3.0% of the Loan repaid; and (e) thereafter, 0.00% of the Loan repaid.

"Application Event" means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, or (b) an Event of Default and the election by the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 2.2(b)(ii) of the Agreement.

"Assignee" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1.

"Bankruptcy Code" has the meaning specified in the recitals of the Agreement.

"Bankruptcy Court" has the meaning specified in the recitals of the Agreement, or any other court having jurisdiction over the Chapter 11 Cases.

"Bargaining Unit Defined Benefit Plan Calculation Error" has the meaning specified therefor in Schedule 4.11 to the Agreement.

"Bargaining Unit Defined Benefit Plan Calculation Error Event" means any event or series of events related to or arising from the Bargaining Unit Defined Benefit Plan Calculation Error which individually or in the aggregate for all such events results or may reasonably be expected to result in liabilities of any Pension Plan or of Parent, its Subsidiaries or ERISA Affiliates of more than $5,000,000 as determined prior to taking into account any assets or other liabilities of such Pension Plan.

"BIA" means the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"Board of Directors" means, as to any Person, the board of directors (or comparable managers) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Borrower" and "Borrowers" shall have the meanings assigned to such terms in the Recitals to the Agreement.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York, or the Province of Ontario, except that, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Canadian Collateral" means Collateral consisting of assets or interests in assets of Canadian Loan Parties, and the proceeds thereof.

"Canadian Court" has the meaning specified therefor in the recitals to the Agreement.

"Canadian Guarantee" means the guarantee dated as of the date hereof in form and substance reasonably satisfactory to the Required Lenders, executed and delivered by the Canadian Loan Parties.

"Canadian Insolvency Law" shall mean any of the BIA, the CCAA, and the Winding-Up Act, each as now and hereafter in effect, and any successors to such statutes and any proceeding under applicable federal or provincial corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

"Canadian Loan Party" and "Canadian Loan Parties" means, individually and collectively, Colt Canada and any other Loan Party organized under the laws of Canada or any province or territory thereof.

"Canadian Mortgage" means any Mortgage taken in respect of real property located in Canada.

"Canadian Pension Plan" means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under any such laws, which is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Borrower or any Guarantor in respect of any Person's employment in Canada with such Borrower or such Guarantor.

"Canadian Security Agreement" means the security agreement, dated as of the date hereof, in form and substance reasonably satisfactory to Required Lenders, executed and

delivered by Canadian Loan Parties to Agent.

"Canadian Security Documents" means (a) the Canadian Security Agreement, the Canadian Guarantee, each Canadian Mortgage, each Deed of Hypothec and (b) any other Loan Document that grants, or purports to grant, a Lien on any Canadian Collateral, including, without limitation, each document identified on Schedule S to the Agreement.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $250,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above; provided, that, in the case of any Foreign Subsidiary, "Cash Equivalents" of such Foreign Subsidiary shall also include direct obligations of the sovereign country (or any agency thereof which is backed by the full faith and credit of such sovereign country) in which such Foreign Subsidiary is organized and is conducting business or in obligations fully and unconditionally guaranteed by such foreign country (or any

agency thereof); provided, further, in the case of any Foreign Subsidiary that is not a Loan Party, "Cash Equivalents" of such Foreign Subsidiary shall also include securities and other investments held by such Foreign Subsidiary in the ordinary course of business which are substantially similar to the assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"Casualty Event" means any loss of title or any loss of or damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Parent or any of its Subsidiaries. "Casualty Event" shall include any taking of all or any part of any real property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any person or any part thereof by any Governmental Authority, or any settlement in lieu thereof.

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"CCAA Recognition Proceedings" has the meaning specified in the recitals of the Agreement.

"CDH II" has the meaning specified therefor in the recitals to the Agreement.

"CDTS" has the meaning specified therefor in the recitals to the Agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. §9601 *et seq*., and all implementing regulations.

"Change of Control" means:

(a) prior to the first public offering of common stock of Parent, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting or economic power of the Equity Interests of Parent then outstanding, whether as a result of the issuance of securities of Parent, any merger, consolidation, winding up, liquidation or dissolution of Parent, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (a) and clause (b) below, the Permitted Holders shall be deemed to beneficially own any the Equity Interests of an entity (the "specified entity") held by any other entity (the "parent entity") so long as (x) the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the Equity Interests of the parent entity) and (y) no "person" or "group" of

related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), beneficially owns, directly or indirectly, a larger percentage of Equity Interests of the parent entity than the Permitted Holders;

(b) on the date of or after the first public offering of common stock of Parent, any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting or economic power of Equity Interests of Parent or any of its direct or indirect parent entities (or their successors by merger, consolidation or purchase of all or substantially all of their assets);

(c) the Continuing Directors shall cease for any reason to constitute a majority of the Board of Directors of Parent then in office;

(d) except as otherwise expressly permitted herein, Parent shall cease to be the direct or indirect holder and owner of one hundred (100%) percent of the Equity Interests of the other Loan Parties; or

(e) a "Change of Control" under (and as defined in) the Term Loan Agreement, the Third Lien Credit Agreement, or the Fourth Lien Note Indenture.

"Chapter 11 Cases" has the meaning specified in the recitals of the Agreement.

"Closing Date" means the date of the making or deemed making of the Loan under the Agreement and on which the conditions to effectiveness set forth in Section 3.1 hereof shall have been satisfied.

"Closing Date Transactions" shall mean, collectively, the transactions contemplated by the Plan of Reorganization approved by the Confirmation Order, the Loan Documents and the Other Loan Documents (each as in effect on the Closing Date) to be consummated on the Closing Date, as amended, in connection with the foregoing.

"Closing Fee" shall have the meaning specified therefor in Section 2.7(a) of the Agreement.

"CMC" shall have the meaning specified therefor in the recitals to the Agreement.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Parent or its Subsidiaries and all assets upon which a Lien is granted or purported to be granted by a Loan Party in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, freight forwarder, or other Person in possession of, having a Lien upon, or having rights or interests in Parent's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance satisfactory to Agent and Required Lenders.

"Collections" means *all* cash, checks, notes, instruments, and other items of payment (including insurance proceeds, cash proceeds of asset sales, rental proceeds, and tax refunds).

"Colt Canada" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt Defense" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt Finance" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt Netherlands" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt Security" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt US" shall have the meaning specified therefor in the recitals to the Agreement.

"Colt's Manufacturing" shall have the meaning specified therefor in the recitals to the Agreement.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 delivered by the chief financial officer of Administrative Borrower to Agent.

"Confidential Information" has the meaning specified therefor in Section 17.9(a) of the Agreement.

"Confirmation Order" has the meaning specified therefor in the recitals to the Agreement.

"Consolidated EBITDA" means, as to any Person and its Subsidiaries, for any period, the amount equal to (without duplication): (a) the Consolidated Net Income of such Person and its Subsidiaries for such period determined in accordance with GAAP, plus (b) as to such Person and its Subsidiaries, each of the following (in each case to the extent deducted in or excluded from the calculation of Consolidated Net Income for such period (in accordance with GAAP)): (i) the Interest Expense for such period, (ii) all Taxes of such Person and its Subsidiaries paid or accrued in accordance with GAAP for such period, (iii) depreciation and amortization (including, but not limited to, imputed interest and deferred compensation) for such period, all in accordance with GAAP, (iv) extraordinary, unusual or nonrecurring charges, expenses or losses that are incurred outside the ordinary course of business, other than contract start-up costs and losses, and other non-cash charges, expenses or losses; provided, however, in the case of the Loan Parties, the aggregate amount added back to Consolidated EBITDA pursuant to this clause (iv) shall not exceed $1,000,000, (v) other non-cash charges, expenses or losses, (vi) costs and expenses related to the Chapter 11 Cases and (vii) management fees, to the extent permitted to be paid pursuant to Section 6.8 of the Agreement.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, that, (a) except to the extent included pursuant to the foregoing clause and except to the extent necessary to reflect Consolidated Net Income on a pro forma basis as provided herein, the net income of any Person accrued prior to the date it becomes a Subsidiary of such Person or is merged into or consolidated or amalgamated with such Person or any of its Subsidiaries or that Person's assets are acquired by such Person or by any of its Subsidiaries shall be excluded; and (b) the net income (if positive) of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to such Person or to any other Subsidiary of such Person is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary shall be excluded, other than any distribution or dividend actually received in cash by such Person or its Subsidiaries, (c) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options or other rights to officers, directors or employees shall be excluded, (d) any impairment charges or asset writeoffs, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded, (e) any after tax effect of income (loss) from early extinguishment of Indebtedness or Hedge Agreements or other derivative instruments or any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging transactions for currency exchange risk shall be excluded, (f) any extraordinary non-cash gain or loss shall be excluded and (g) the cumulative effect of a change in accounting principles shall be excluded. For the purpose of this definition, net income excludes any gain together with any related Taxes for such gain realized upon the sale or other disposition of any assets outside of the ordinary course of business or of any Equity Interests of such Person or a Subsidiary of such Person.

"Continuing Director" means (a) any member of the Board of Directors of Parent who was a director (or comparable manager) on the Closing Date, after giving effect to the execution and delivery of the Agreement and the other transactions contemplated hereby to occur on such date, and (b) any individual who becomes a member of the Board of Directors of Parent after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Parent or one of its Subsidiaries, Agent, and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account).

"Controlled Account Agreement" has the meaning specified therefor in the Security Agreement or the Canadian Security Agreement, as the case may be.

"Copyright Security Agreement" has the meaning specified therefor in the Security Agreement or the Canadian Security Agreement, as the case may be.

"Criminal Code Section" has the meaning specified in Section 2.3 of the Agreement.

"Cure Amount" has the meaning specified in Section 8 of the Agreement.

"Cure Notice" has the meaning specified in Section 8 of the Agreement.

"Cure Right" has the meaning specified in Section 8 of the Agreement.

"Currency Due" has the meaning specified in Section 17.15 of the Agreement.

"Current Assets" means as at any date of determination, the total assets of Parent and its Subsidiaries (other than cash and Cash Equivalents) which may properly be classified as current assets on a consolidated balance sheet of Parent and its Subsidiaries in accordance with GAAP, excluding any increase in Current Assets in respect of any Excluded Issuances.

"Current Liabilities" means, as at any date of determination, the total liabilities of Parent and is Subsidiaries on a consolidated basis which may properly be classified as current liabilities (other than the current portion of the Permitted Indebtedness) on a consolidated balance sheet of Parent and its Subsidiaries in accordance with GAAP.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, Canadian Insolvency Laws, 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, Canada or other applicable jurisdictions from time to time in effect.

"Deed of Hypothec" has the meaning specified in Section 15.19 of the Agreement.

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

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement on the date that it is required to do so under the Agreement, (b) notified Administrative Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement on the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or Insolvency Proceeding, or has had a Receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or Insolvency Proceeding, or has had a Receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment. If at any time there is only one Lender, then no Lender shall be deemed a

"Defaulting Lender" (irrespective of otherwise qualifying as a "Defaulting Lender" pursuant to the immediately preceding sentence).

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Account" means the Deposit Account of Administrative Borrower identified on Schedule D-1.

"Designated Account Bank" means the bank specified in Schedule D-1.

"DIP Agent" has the meaning specified in the recitals of the Agreement.

"DIP Borrowers" has the meaning specified in the recitals of the Agreement.

"DIP Guarantors" has the meaning specified in the recitals of the Agreement.

"DIP Lenders" has the meaning specified in the recitals of the Agreement.

"DIP Loan Parties" has the meaning specified in the recitals of the Agreement.

"DIP Obligations" means the "Obligations" as defined in the Senior DIP Agreement.

"Discharge of Term Obligations" has the meaning specified therefor in the Senior Intercreditor Agreement.

"Disclosure Statement" means that certain Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, filed with the Bankruptcy Court, at Docket No. 678, on November 10, 2015.

"Disqualified Equity Interest" means, with respect to any Person, any Equity Interest in such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof) or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by such Person or any of its Affiliates, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Maturity Date; provided, that, an Equity Interest that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale" or a "change of control" shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full in cash of all of the Obligations and the termination of the Loan Commitments.

"Disqualified Lender" means any of the Persons listed on Schedule E-l as of the Closing Date and any other Persons identified from time to time in writing to the Agent to the extent reasonably acceptable to the Agent.

"Dollars" or "$" means lawful currency of United States of America.

"Dutch Guaranty" means a general continuing guaranty of the Obligations executed and delivered by Colt Netherlands in favor of Agent, for the benefit of Agent and the Lenders, in form and substance satisfactory to Agent and the Required Lenders, as amended, modified, restated and/or supplemented from time to time.

"Dutch Loan Party" and "Dutch Loan Parties" means, individually and collectively, Colt Netherlands and any other Loan Party organized under the laws of the Netherlands.

"Dutch Parallel Debt" shall have the meaning specified therefor in Section 15.20.

"Dutch Security Documents" means (a) each document identified as a Dutch Security Document on Schedule S to the Agreement (as such Schedule may be amended or supplemented by Agent (at the direction of the Required Lenders) to add additional Dutch Security Documents in connection with the Loan Documents) and (b) any other documents governed by Dutch law under which security rights are granted to Agent.

"Eligible Transferee" means (a) a commercial bank organized under the laws of the United States, or Canada or any state, province or territory thereof, (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country; provided, that such bank is acting through a branch or agency located in the United States or Canada, (c) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business, (d) any Affiliate (other than individuals) of a pre-existing Lender, (e) so long as no Event of Default has occurred and is continuing, any other Person approved by Agent, and (f) during the continuation of an Event of Default, any other Person; provided that for the avoidance of doubt no Disqualified Lender shall be an Eligible Transferee.

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, (a) that is or within the preceding six (6) years has been sponsored, maintained or contributed to by any Loan Party or ERISA Affiliate or (b) to which any Loan Party or ERISA Affiliate has, or has had at any time within the preceding six (6) years, any liability, contingent or otherwise.

"Environmental Action" means any summons, citation, written notice, directive, order,

claim, judicial or administrative proceeding, judgment, or other written communication from any Governmental Authority or any third party, alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Materials at any location or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material.

"Environmental Law" means any applicable federal, state, provincial, territorial, foreign or local statute, law, by-law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, requirements of Governmental Authorities, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case relating to protection of the environment, or human health or safety (including, without limitation, ambient air, vapor, surface water, ground water, land surface or subsurface strata, and natural resources), including, without limitation, Laws relating to (i) Releases or threatened Releases of, or exposure to, Hazardous Materials, (ii) the manufacture, processing, distribution, use, treatment, storage, containment (whether above ground or underground), transport, handling, or disposal of Hazardous Materials, (iii) recordkeeping, notification, disclosure, or reporting requirements regarding Hazardous Materials, (iv) endangered or threatened species of fish, wildlife and plants, and the management or use of natural resources, or (v) the preservation of the environment or mitigation of adverse effects on or to human health or the environment.

"Environmental Liabilities" means all liabilities, monetary obligations, losses (including monies paid in settlement), damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any Remedial Action, Release or threatened Release of Hazardous Materials, any violation of Environmental Law, or any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Environmental Permit" means any permit, registration, certificate, qualification, approval, identification number, license or other authorization required under or issued pursuant to any applicable Environmental Law or by any Governmental Entity pursuant to its authority under Environmental Law.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interests" means, with respect to any Person, all of the shares, interests, participations or other equivalents (however designated) of such Person's capital stock or general partnership, limited partnership, limited liability company or other equity, ownership or profit interests at any time outstanding, all of the warrants, options or other rights for the purchase or

acquisition from such Person of shares of capital stock of (or other interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), but excluding any interests in phantom equity plans and any debt security that is convertible into or exchangeable for such shares, and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific section of ERISA shall be deemed to be a reference to such section of ERISA and any successor statutes, and all regulations and guidance promulgated thereunder.

"ERISA Affiliate" means each entity, trade or business (whether or not incorporated) that together with a Loan Party or a Subsidiary would be (or has been) treated as a "single employer" within the meaning of section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of section 414 of the IRC. ERISA Affiliate shall include any Subsidiary of any Loan Party.

"Event of Default" has the meaning specified therefor in Section 8 of the Agreement.

"Excess Cash Flow" means, for any fiscal year, in each case for Parent and its Subsidiaries on a consolidated basis, the result of: (a) Consolidated EBITDA of the Parent and its Subsidiaries plus the amount of any decrease in Net Working Capital for such fiscal year, minus (b) without duplication, each of the following, to the extent actually paid in cash during such fiscal year, (i) Interest Expense, (ii) Taxes (net of refunds received in cash), (iii) Capital Expenditures, (iv) the amount of any increase in Net Working Capital for such fiscal year, (v) regularly scheduled and mandatory payments on Permitted Indebtedness to the extent permitted to be made under the terms of this Agreement and the Intercreditor Agreements, (vi) management fees actually paid in cash to the extent permitted to be paid under Section 6.8 of the Agreement and (vii) any pension contribution, to the extent that such contribution exceeds the related pension expense and is not reflected in changes in Net Working Capital.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Issuances" means (a) the issuance of Qualified Equity Interests of Parent to directors, officers and employees of Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors of Parent and permitted under the Agreement), (b) in the event that Parent or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Qualified Equity Interests to Parent or such Subsidiary, as applicable, (c) the issuance of Qualified Equity Interests of Parent (i) in order to finance the purchase consideration (or a portion thereof) in connection with an Investment permitted under clause (r)(ii) of the definition of Permitted Investments, (ii) in order to finance Capital Expenditures permitted under the Agreement and/or (iii) so long as no Default or Event of Default shall have occurred and be continuing, for working capital purposes of Parent and its

Subsidiaries (other than for the prepayment of Indebtedness permitted under Section 6.8(a)(ii)), (d) so long as no Default or Event of Default shall have occurred and be continuing, the issuance of Qualified Equity Interests of Parent in order to fund the prepayment of Indebtedness permitted under Section 6.8(a)(ii), and (e) the issuance of Qualified Equity Interests by a Subsidiary of Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) through (d) above, but solely to the extent that (i) in the case of clauses (a) through (e) above, prior to the issuance of any such Qualified Equity Interests, Administrative Borrower has provided Agent with written notice of Borrowers' intention to apply the proceeds of such Qualified Equity Interests in accordance with clause (a), (b), (c), (d) or (e) above, and (ii) in the case of clauses (c)(i), (c)(ii) and (d) the use of the proceeds of such issuance or sale of Qualified Equity Interests occurs substantially contemporaneously with the issuance or sale of such Qualified Equity Interests.

"Excluded Property" has the meaning specified in the Security Agreement or the Canadian Security Documents, as the case may be.

"Existing IP Licenses" means the licenses in effect on the Closing Date (wherein such licenses may be amended or renewed from time to time provided they have substantially the same terms and conditions as on the Closing Date) as set forth on Schedule L-1.

"Existing Term Loan DIP Facility" means that certain senior secured superpriority debtor-in-possession term loan agreement dated as of June 16, 2015, as amended, entered into by Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, the subsidiaries and affiliates of Colt US named as guarantors therein, the lenders named therein and Wilmington Savings Fund Society, FSB, as agent.

"Extraordinary Receipts" means any payments in cash received by Parent or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.2(e)(ii) of the Agreement) consisting of (a) proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim (b) indemnity payments (other than to the extent such indemnity payments are immediately payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, (c) foreign, federal, state, provincial, territorial or local tax refunds, (d) pension plan reversions, and (e) any purchase price adjustment received in connection with any purchase agreement, in each case, after deducting therefrom, to the extent applicable, taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such event, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC as of the date of the Agreement.

"Fee Letter" means that certain letter agreement referred to in Section 2.6(b) of even date herewith among the Borrowers and the Agent.

"Finance Party" means Agent or any Lender.

"Fixed Charge Coverage Ratio" means, as of any date of determination, (a) Consolidated EBITDA for the prior twelve month period *less*, the sum of Capital Expenditures, member distributions, management fees, rent expenses (to the extent not reducing Net Income) and foreign and domestic cash income taxes, *plus* the benefit of actual expense reductions over the course of the succeeding three fiscal quarters and the benefit of revenues to be received on account of billed and shipped orders over the course of the succeeding three fiscal quarters, *less* the amount of expenses previously assumed to be reduced in a succeeding fiscal quarter but not actually realized in such fiscal quarter, and *less* the amount of revenue assumed to be received in a succeeding fiscal quarter but not actually received in such fiscal quarter), divided by (b) Interest Expenses payable in cash for the prior twelve month period.

"Flow of Funds Agreement" means a flow of funds agreement, dated as of even date herewith, in form and substance satisfactory to Agent and the Required Lenders, executed and delivered by each Loan Party, Agent, the Term Loan Agent and the Third Lien Agent.

"Foreign Lender" means any Lender or Participant that is not a United States person within the meaning of IRC Section 7701(a)(30).

"Foreign Security Documents" means each Canadian Security Document, each Dutch Security Document and each other security document entered into by a Foreign Subsidiary of Parent in favor of Agent.

"Foreign Subsidiary" means a direct or indirect Subsidiary of a Loan Party organized or incorporated under the laws of a jurisdiction other than a State of the United States of America, the United States of America or the District of Columbia.

"Fourth Lien Debt" shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to the Fourth Lien Trustee and the Fourth Lien Holders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Fourth Lien Note Documents, which shall be subject to the terms of the Junior Intercreditor Agreement.

"Fourth Lien Debt Amount" shall mean $7,000,000 initially and, after giving effect to any accrued interest capitalized from time to time in accordance with the terms of the Fourth Lien Note Indenture, $10,000,000.

"Fourth Lien Holders" shall mean the holders of the Fourth Lien Notes.

"Fourth Lien Note Documents" shall mean, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, in each case in accordance with the terms of the Junior Intercreditor Agreement): (a) the Fourth Lien Note Indenture, (b) each other "Fourth Lien Note Document"

(as defined in the Fourth Lien Note Indenture), and (c) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Fourth Lien Trustee or any Fourth Lien Holder in connection therewith or related thereto; sometimes being referred to herein individually as a "Fourth Lien Note Document".

"Fourth Lien Note Indenture" shall mean, that certain Indenture, dated as of [December] [28], 2015, entered into by the Fourth Lien Trustee, the Borrowers, as issuers of their 8% Fourth Priority Secured Notes Due 2021 (the "Fourth Lien Notes"), and the other Loan Parties, as guarantors, as amended, modified, supplemented, extended, renewed, restated or replaced in accordance with the terms of the Junior Intercreditor Agreement.

"Fourth Lien Notes" has the meaning specified therefor in the definition of "Fourth Lien Note Indenture".

"Fourth Lien Trustee" means Wilmington Trust, National Association, in its capacity as trustee and/or collateral agent, as the context may require, under the Fourth Lien Note Indenture, together with its successors and assigns in any such capacity.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied; provided, that, all calculations relative to liabilities shall be made without giving effect to Statement of Financial Accounting Standards No. 159.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"Governmental Authority" means any federal, state, provincial, territorial, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Guarantors" means (a) Parent, (b) Colt's Manufacturing, (c) Colt Finance, (d) CDTS, (e) New Colt, (f) CDH II, (g) Colt Canada, (h) Colt Netherlands, (i) Colt Security, (j) IP Holdcos, and (k) any other Person that becomes a guarantor under the Agreement after the Closing Date; and "Guarantor" means any one of them.

"Guaranty" means each guaranty, including, without limitation, the Dutch Guaranty, executed by any Guarantor in favor of Agent, for the benefit of the Secured Parties, in form and substance reasonably satisfactory to the Required Lenders.

"Hazardous Materials" means, regardless of amount or quantity, (a) any element, compound, substance or chemical that is defined or listed in, or otherwise classified or regulated pursuant to, any Environmental Laws as a contaminant, pollutant, "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity," (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or

explosives or any radioactive materials, (d) asbestos in any form and polychlorinated biphenyls ("PCBs"), and (e) any other chemical, material or substance regulated under any Environmental Law.

"Hedge Agreement" means (a) any commodities futures contract, commodity swap, commodity option or similar agreement or arrangement entered into by any Loan Party designed to protect such Loan Party against fluctuations in the price of commodities actually used in the ordinary course of business of such Loan Party, (b) any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement designed to protect a Loan Party against fluctuations in interest rates, and (c) any foreign currency exchange contract, currency swap agreement, currency futures contract, currency option contract or other similar agreement or arrangement designed to protect a Loan Party against fluctuations in currency exchange rates.

"Holdout Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"IFRS" means the International Financial Reporting Standards.

"IFRS Adoption" has the meaning specified therefor in Section 1.2 of the Agreement.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, (ii) the amount of any Indebtedness described in clause (d) above shall be the lower of the amount of the obligation and the fair market value of the assets of such Person securing such obligation and (iii) any earn-out obligation of a Person shall not constitute Indebtedness for the purposes of calculating any of the financial ratios herein until such obligation constitutes a liability on the balance sheet of such Person.

"Indemnified Liabilities" has the meaning specified therefor in Section 10.3 of the

Agreement.

"Indemnified Person" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Taxes" means any Taxes now or hereafter imposed by any Governmental Authority with respect to any payments by any Loan Party under any Loan Document; provided, however, that Indemnified Taxes shall exclude (i) any Tax imposed on or measured by the net income of Agent, any Lender or any Participant (including any branch profits Taxes) and any franchise or similar Taxes in lieu thereof, in each case (A) imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which Agent, such Lender or such Participant is organized or in which Agent's, such Lender's or such Participant's principal office or applicable lending office is located or (B) as a result of any other present or former connection between Agent, such Lender or such Participant and the jurisdiction (or political subdivision or taxing authority thereof) imposing the Tax (other than any such connection arising solely from Agent, such Lender or such Participant having executed, delivered or performed its obligations or received payment under, or enforced its rights or remedies under the Agreement or any other Loan Document); (ii) Taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 16.2(a), (b), (c) or (d) of the Agreement, (iii) any United States federal withholding Taxes that would be imposed on amounts payable to a Foreign Lender based upon the applicable withholding rate in effect at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), except that Indemnified Taxes shall include any such amount that such Foreign Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding Tax at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), (iv) provided that neither the Agent nor any Lender or any Participant would be considered to be dealing, at non-arm's length within the meaning of the Income Tax Act (Canada) solely as a result of enforcement of security, any Canadian federal withholding Taxes imposed on amounts payable to Agent, any Lender or any Participant under the Income Tax Act (Canada), as amended, because the Agent, such Lender or such Participant is not dealing at arm's length with the applicable Loan Party for purposes of the Income Tax Act (Canada), as amended, (v) provided that neither the Agent nor any Lender or any Participant would be considered to be dealing, at non-arm's length within the meaning of the Income Tax Act (Canada) solely as a result of enforcement of security, any Canadian federal withholding taxes imposed on amounts payable to any Agent, Lender or Participant under the Income Tax Act (Canada), as amended, as a result of any Agent, Lender or Participant being or not dealing at arm's length with a "specified shareholder" of the applicable Loan Party within the meaning of subsection 18(5) of the Income Tax Act (Canada) as amended, and (vi) any United States federal withholding Taxes imposed as a result of Agent's, any Lender's or any Participant's failure or inability to comply with the requirements of Sections 1471 through 1474 of the IRC or any regulations promulgated thereunder to establish an exemption from withholding Tax thereunder, any intergovernmental agreement entered into in connection with the implementation of such sections of the IRC and any U.S. or non-U.S. regulations or other governmental rules adopted to implement such intergovernmental agreement.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the CCAA, the BIA or the Winding-Up Act, or

under any other provincial, territorial state or federal bankruptcy or insolvency law or any bankruptcy or insolvency law of any other applicable jurisdiction, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief, including any proceeding under applicable Canadian federal or provincial corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

"Intellectual Property" means all domestic and foreign rights, title and interest in the following: (i) inventions, discoveries and ideas, whether patentable or not, and all patents, registrations and applications therefor, including without limitation divisions, continuations, continuations-in-part, reexaminations, reissues and renewal applications; (ii) published and unpublished works of authorship, whether copyrightable or not, copyrights therein and thereto and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (iii) trademarks, service marks, trade names, trade dress, brand names, Internet domain names, logos, symbols, and other indicia of origin, all applications and registrations for all of the foregoing, and all goodwill associated therewith and symbolized thereby, including without limitation all extensions, modifications and renewal of the same; (iv) confidential and proprietary information, trade secrets and know-how, including, without limitation, TDPs, formulae, processes, compounds, drawings, designs, industrial designs, blueprints, surveys, reports, manuals, operating standards and customer lists; (v) software and contract rights relating to computer software programs, in whatever form created or maintained; and (vi) all other intellectual property rights or proprietary rights and claims or causes of action arising out of or related to any infringement, misappropriation or other violation of any of the foregoing throughout the world, including, without limitation, rights to recover for past, present and future violations thereof and any and all products and proceeds of the foregoing.

"Intercompany Subordination Agreement" means an intercompany subordinated note executed and delivered by the Loan Parties and the other parties thereto, the form and substance of which is reasonably satisfactory to Agent.

"Intercreditor Agreement" means the Senior Intercreditor Agreement and the Junior Intercreditor Agreement, as acknowledged and agreed to by the Borrowers and Guarantors and the other respective borrowers and guarantors, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

"Interest Expense" means, for any period, as to any Person, as determined in accordance with GAAP, the amount equal to total interest expense of such Person and its Subsidiaries on a consolidated basis for such period, whether paid or accrued (including the interest component of any Capital Lease for such period), and in any event, including, without limitation, (a) discounts in connection with the sale of any Accounts, (b) bank fees, commissions, discounts and other fees and charges in each case owed with respect to letters of credit, banker's acceptances or similar instruments or any factoring, securitization or similar arrangements,

(c) interest payable by addition to principal or in the form of property other than cash and any other interest expense not payable in cash, and (d) the costs or fees for such period associated with Hedge Agreements to the extent not otherwise included in such total interest

expense provided, that, for purposes of the determination of Consolidated EBITDA, Interest Expense shall include, to the extent treated as interest in accordance with GAAP, all non-cash amounts in connection with borrowed money (including paid-in-kind interest).

"Inventory" means inventory (as such term is defined in the Code).

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* Accounts arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"IP Holdcos" has the meaning specified therefor in the recitals of the Agreement.

"IP License" means any exclusive or non-exclusive license or sublicense of any Intellectual Property owned or controlled by any Loan Party (other than the Existing IP Licenses).

"IP License Proceeds" means the net proceeds of royalties and other payments (upfront or otherwise) received in connection with each exclusive or non-exclusive license or sublicense of Intellectual Property owned or controlled by any Loan Party to a third party, including the Existing IP Licenses, provided, however, for the avoidance of doubt, proceeds other than royalties arising from or related to Intellectual Property received under agreements permitted under Sections 6.3(c)(2)(a)(i) and (ii) of this Agreement are excluded from IP License Proceeds.

"IP Proceeds Account" means an account (i) in which the Loan Parties deposit all IP License Proceeds, in cash, and (ii) over which the Agent shall have a perfected second priority lien, junior only to the lien securing the Term Loan Debt.

"IP Reporting Certificate" means an IP reporting certificate substantially in the form of Exhibit I-1 executed and delivered by the Loan Parties to Agent.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"ITAR" means the International Traffic in Arms Regulations (22 CFR 120-130).

"Judgment Currency" has the meaning specified in Section 17.15 of the Agreement.

"Junior Intercreditor Agreement" means that certain Junior Intercreditor Agreement, dated as of the date hereof, entered into between the Term Loan Agent, Agent, the Third Lien Agent and the Fourth Lien Trustee, as amended and in effect from time to time.

"Law" or "law" means each provision of any currently implemented Federal, state, provincial, territorial, local, foreign, national, international or supranational treaty, law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Governmental

Authority.

"Lender" has the meaning specified therefor in the recitals to the Agreement, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement or pursuant to an amendment hereto and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) costs or expenses (including taxes, and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent and each Lender in connection with the Lender Group's transactions with Parent or its Subsidiaries under any of the Loan Documents, including, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and PPSA and UCC searches and including searches with the patent and trademark office, or the copyright office, or similar searches with respect to the Canadian Loan Parties and the Dutch Loan Parties), filing, recording, publication, appraisal (including periodic collateral appraisals to the extent of the fees and charges (and up to the amount of any limitation) contained in the Agreement or the Fee Letter), real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise) or with respect to the establishment of electronic collateral reporting systems, together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith, (d) reasonable and documented out-of-pocket charges paid or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (e) reasonable out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) subject to the terms of Section 5.7 of the Agreement, all reasonable and documented out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Agent during the course of periodic field examinations of the Collateral and Borrowers' operations, plus a per diem charge at Agent's then standard rate for Agent's examiners in the field and office (which rate as of the date hereof is $1,000 per person per day), (g) reasonable and documented out-of-pocket costs and expenses of third party claims or any other suit paid or incurred by the Lender Group in enforcing or defending the Loan Documents or in connection with the transactions contemplated by the Loan Documents or the Lender Group's relationship with Parent or any of its Subsidiaries, (h) Agent's and each Lender's reasonable and documented costs and expenses (including reasonable attorneys and financial advisor fees) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating, or amending the Loan Documents, (i) Agent's and, each Lender's reasonable and documented costs and expenses (including reasonable attorneys, accountants, consultants, and financial and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in

exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether suit is brought, or in taking any Remedial Action concerning the Collateral.

"Lender Group Representatives" has the meaning specified therefor in Section 17.9 of the Agreement.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, hypothec, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Liquidity" means all Unrestricted Cash and Cash Equivalents of the Loan Parties (on a consolidated basis) that are subject to a Control Agreement, it being understood that cash on deposit in any IP Proceeds Account that constitutes Collateral shall be considered Unrestricted Cash.

"Loan" has the meaning specified therefor in Section 2.1(a) of the Agreement.

"Loan Account" has the meaning specified therefor in Section 2.6 of the Agreement.

"Loan Commitment" means, for any Lender, its obligation to make a portion of the Loan in the principal amount shown on Schedule C-1 of the Agreement.

"Loan Documents" means the Agreement, the Controlled Account Agreements, the Control Agreements, any Copyright Security Agreement, the Fee Letter, any Guaranty, any Intercompany Subordination Agreement, the Mortgages, any Patent Security Agreement, the Security Agreement, any Trademark Security Agreement, any other Security Document, the Intercreditor Agreement, the Collateral Assignment, the Confirmation Order, any UCC Filing Authorization Letter or similar authorization, any Fee Letter, any note or notes executed by any Borrower in connection with the Agreement and payable to any member of the Lender Group, any Canadian Security Document, any Dutch Security Documents, the Flow of Funds Agreement, any amendments or modifications to any of the foregoing and any other agreement entered into or certificate issued, now or in the future, by Parent or any of its Subsidiaries in connection with the Agreement.

"Loan Party" means any Borrower or any Guarantor.

"Management Agreements" means (i) [*Describe new Sciens Management Agreement*] and (ii) [*Describe new Newport/Fidelity Management Agreement*], in each case, as amended, restated, modified or supplemented from time to time in accordance with the terms hereof.

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal

Reserve System as in effect from time to time.

"Material Adverse Change" means (a) a material adverse change in the business, operations, assets, condition (financial or otherwise) or prospects of Parent and its Subsidiaries, taken as a whole, (b) a material impairment of Parent's and its Subsidiaries ability to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to the Collateral as a result of an action or failure to act on the part of Parent or its Subsidiaries.

"Material Contract" means (i) each Term Loan Document, (ii) each Third Lien Loan Document, (iii) each Fourth Lien Note Document, (iv) any other contract or agreement (other than a Loan Document, Term Loan Document, Third Lien Document or Fourth Lien Note Document) of any Loan Party involving monetary liability of or to Parent or its Subsidiaries in excess of $1,000,000 in any fiscal year of Parent and (v) each other contract or agreement, the loss of which could reasonably be expected to result in a Material Adverse Change.

"Maturity Date" shall mean the earliest to occur of (a) the Stated Maturity Date, (b) the date of acceleration of the Obligations in accordance with the terms herein, and (c) the date that is 365 days prior to the scheduled date of termination of the West Hartford Lease, provided that if the West Hartford Lease is terminated in connection with a US Loan Party's purchase of the facility underlying the West Hartford Lease, this clause (c) shall be inapplicable.

"Moody's" has the meaning specified therefor in the definition of Cash Equivalents.

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, deeds to secure debt, charges or debentures executed and delivered by Parent or its Subsidiaries in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral.

"Multiemployer Plan" means any multiemployer plan within the meaning of Section 3(37) or 4001(a)(3) of ERISA with respect to which any Loan Party or ERISA Affiliate has an obligation to contribute or has any liability, contingent or otherwise or could be assessed withdrawal liability assuming a complete withdrawal from any such multiemployer plan.

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or its Subsidiaries, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such sale or

disposition, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction; and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable Obligations in accordance with Section 2.2(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve; and

(b) with respect to the issuance or incurrence of any Indebtedness by Parent or any of its Subsidiaries, or the issuance by Parent or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of Parent or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such issuance or incurrence, (ii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"New Colt" has the meaning specified therefor in the recitals to the Agreement.

"Net Working Capital" shall mean, for any period of determination, Current Assets as of the last day of such period minus Current Liabilities as of the last day of such period.

"Note" means a promissory note of Borrowers payable to the order of a Lender in substantially the form of Exhibit B-1 of this Agreement, evidencing indebtedness of Borrower to each Lender pursuant to the Loan.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043 of ERISA for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC or any Pension Plan or Multiemployer Plan administrator, (e) any other event or condition that would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any

Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan (other than any withdrawal that would not constitute an Event of Default under Section 8.16 of the Agreement), (h) any event or condition that results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA, (i) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (j) any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is or is expected to be insolvent or in reorganization within the meaning of Title IV of ERISA, (k) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e), (l) the failure of any Pension Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (m) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) with respect to any Pension Plan, (n) the failure to make by its due date a required payment or contribution with respect to any Pension Plan or Multiemployer Plan, or (o) any event that results in or could reasonably be expected to result in a liability by a Loan Party or ERISA Affiliate pursuant to Title IV of ERISA.

"Obligations" means all loans, debts, principal, interest (including any interest accruing at the Default Rate and any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), all amounts charged to the Loan Account pursuant to the Agreement, premiums (including amounts due in connection with any Applicable Prepayment Premium), liabilities, obligations (including indemnification obligations), fees (including the fees provided in the Fee Letter or in Section 2.6), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party pursuant to or evidenced by the Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrower is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Originating Lender" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Other Loan Documents" means the Term Loan Documents, the Third Lien Loan

Documents and the Fourth Lien Note Documents, collectively.

"Other Taxes" has the meaning specified therefor in Section 16.1 of the Agreement.

"Parent" has the meaning specified therefor in the recitals to the Agreement.

"Participant" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Participant Register" has the meaning specified therefor in Section 13.1(i) of the Agreement.

"Patent Security Agreement" has the meaning specified therefor in the Security Agreement or the Canadian Security Agreement, as the case may be.

"Patriot Act" has the meaning specified therefor in *Section 4.18* of the Agreement.

"Paydown" has the meaning specified therefor in the recitals to the Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Sections 412 or 430 of the IRC and which is sponsored, maintained, or contributed to by any Loan Party or ERISA Affiliate or with respect to which any Loan Party or ERISA Affiliate has any liability, contingent or otherwise.

"Perfection Certificate" means the Perfection Certificate delivered to Agent and the Lenders on the Closing Date, as such certificate may be updated pursuant to [Section 6(k)] of the Security Agreement, which certificate provides information with respect to the assets of each Loan Party.

"Permit" means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other contractual obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete in the ordinary course of business, consistent with past practice;

(b) sales of Inventory to buyers in the ordinary course of business and the consignment of Inventory to the Government of the United Mexican States in the ordinary course of business consistent pursuant to a written agreement (the "DCAM Consignment"); provided, that, the maximum value of Inventory consigned to the Government of the United Mexican States at any one time shall not exceed $2,000,000;

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of the Agreement or the other Loan Documents;

(d) the granting of IP Licenses subject to and in accordance with Section 6.3(c) of the Agreement and the amendment or renewal permitted for Existing IP Licenses;

(e) the non-exclusive licensing or sublicensing of any other general intangibles (other than Intellectual Property or the licenses in effect on the Closing Date as set forth on Schedule L-1) and licenses, leases or subleases of other property, in each case, in the ordinary course of business consistent with past practice and so long as any such transaction shall not materially interfere with the business of Parent and its Subsidiaries;

(f) the granting of Permitted Liens;

(g) the sale or discount, in each case without recourse, of Accounts arising in the ordinary course of business consistent with past practice, but only in connection with the compromise or collection thereof;

(h) any involuntary loss, damage or destruction of property;

(i) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(j) the leasing or subleasing of assets of Parent or its Subsidiaries (other than Accounts and Inventory or Intellectual Property in the ordinary course of business consistent with past practice;

(k) the sale or issuance of Equity Interests by any Subsidiary of Parent to a Loan Party;

(l) [intentionally omitted];

(m) the making of a Restricted Payment that is expressly permitted to be made pursuant to Section 6.11 of the Agreement;

(n) the making of a Permitted Investment;

(o) the sale or other disposition of property by a Loan Party to another Loan Party in the United States or Canada; and

(p) sales or other dispositions of assets of Parent and its Subsidiaries not otherwise subject to the provisions set forth in this definition, provided that as to any such sale or other disposition, each of the following conditions is satisfied:

(i) such transaction does not involve the sale or other disposition of any Intellectual Property, Equity Interest in any Subsidiary or Accounts or Inventory;

(ii) the aggregate amount of such dispositions does not exceed $500,000 from the Closing Date; and

(iii) such aggregate amount of $500,000 referred to in paragraph (ii) shall not be in addition to the corresponding $500,000 referred to in Section 2.2(e)(i)(y).

"Permitted Holder" means the Persons listed on Schedule P-3 to the Agreement.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents;

(b) Indebtedness set forth on Schedule 4.19 and, in the case of letters of credit listed on such schedule, extensions of maturity or replacements of such Indebtedness in the same principal amount;

(c) Permitted Purchase Money Indebtedness; provided that the aggregate amount of all such Indebtedness does not exceed $1,000,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders;

(d) endorsement of instruments or other payment items for deposit;

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of Parent or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty would have been permitted to incur such underlying Indebtedness; provided that the aggregate amount of all such Indebtedness under provisos (i), (ii) and (iii) of this paragraph (e) does not exceed $100,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders;

(f) Indebtedness incurred in the ordinary course of business under performance, surety, statutory and appeal bonds;

(g) [Reserved.]

(h) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services, in each case, incurred in the ordinary course of business;

(i) Indebtedness of Parent or its Subsidiaries arising pursuant to Permitted Intercompany Advances;

(j) Indebtedness consisting of Permitted Investments;

(k) Indebtedness evidenced by the Term Loan Documents in an aggregate

outstanding principal amount not to exceed the Term Loan Debt Amount;

(l) Indebtedness evidenced by the Third Lien Loan Documents in an aggregate outstanding principal amount not to exceed the Third Lien Loan Debt Amount;

(m) Indebtedness evidenced by the Fourth Lien Note Documents in an aggregate outstanding principal amount not to exceed the Fourth Lien Debt Amount;

(n) Indebtedness with respect to letters of credit issued by, or a letter of credit facility with, a letter of credit issuer reasonably acceptable to Required Lenders, in an aggregate face amount not to exceed $5,000,000;

(o) Indebtedness incurred by Parent or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid surety and similar bonds and completion guarantees (not for borrowed money), in each case in the ordinary course of business;

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that such Indebtedness is extinguished with ten Business Days of incurrence;

(q) Indebtedness of Parent or any Subsidiary consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business;

(r) other unsecured Indebtedness in an aggregate principal amount not to exceed $25,000,000 at any time outstanding, provided that (i) such Indebtedness is subject to a subordination agreement in form and substance acceptable to the Agent and the Lenders; (ii) the terms of such Indebtedness do not require Parent or any Subsidiary to make cash payments prior to the date that is 91 days after the Maturity Date and (iii) such Indebtedness has a maturity date that is at least 91 days after than the Maturity Date; and

(s) in the event that a US Loan Party shall have purchased the facility underlying the West Hartford Lease, Indebtedness secured by, (i) third party mortgages securing Indebtedness not to exceed a [$_____] at any time outstanding, (ii) a mortgage securing the Obligations, (iii) a mortgage securing the Term Loan Debt, (iv) a mortgage securing the Third Lien Debt, and (v) a mortgage securing the Fourth Lien Debt, all of which shall be on terms in form and substance acceptable to the Agent and the Lenders.

"Permitted Intercompany Advances" means loans (a) made by a Loan Party that is not a Specified Loan Party to another Loan Party that is not a Specified Loan Party and (b) made by a Loan Party that is not a Specified Loan Party to a Specified Loan Party; provided, that, (i) in the case of clauses (a) and (b), Agent shall have received an Intercompany Subordination Agreement as duly authorized, executed and delivered by the parties to any such loans and (ii) in the case of clause (b) only, the aggregate amount of all such loans does not exceed $500,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents of any Loan Party or other Investments by a Loan Party or a non-Loan Party in any Loan Party;

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(c) advances made in connection with purchases of goods or services in the ordinary course of business;

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of any Loan Party or any of its Subsidiaries;

(e) guarantees permitted under the definition of Permitted Indebtedness;

(f) Permitted Intercompany Advances;

(g) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to any Loan Party or any of its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business consistent with past practice) or as security for any such Indebtedness or claims;

(h) deposits of cash made in the ordinary course of business to secure performance of operating leases;

(i) the endorsement of instruments for collection or deposit in the ordinary course of business;

(j) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business;

(k) receivables owing to Parent or any of its Subsidiaries if created or acquired in the ordinary course of business consistent with current practices as of the date hereof;

(l) loans and advances by Parent and its Subsidiaries to independent directors, officers and employees of Parent and its Subsidiaries in the ordinary course of business for bona fide business purposes not in excess of $250,000 at any time outstanding;

(m) stock or obligations issued to Parent and its Subsidiaries by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to Parent and its Subsidiaries in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person, provided, that, the original of any such stock or instrument evidencing such obligations shall be promptly delivered to Agent, upon Required Lenders' request, together with such stock power, assignment or endorsement by Parent and its Subsidiaries as Required Lenders may request;

(n) Investments constituting Restricted Payments permitted by Section 6.11 of the Agreement;

(o) Investments made as a result of the receipt of non-cash consideration from a Permitted Disposition;

(p) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by Parent and its Subsidiaries in connection with such plans;

(q) solely to the extent constituting Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case in the ordinary course of business; and

(r) (i) other Investments in an aggregate outstanding amount not to exceed $500,000 at any time and (ii) other Investments made solely with the proceeds of any Excluded Issuances (as described in clause (c)(i) of the definition thereof); provided, that, as of the date of such Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

"Permitted Liens" means:

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations;

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) for which the underlying Taxes are the subject of Permitted Protests;

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement;

(d) Liens set forth on Schedule P-2; provided, however, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 shall only secure the Indebtedness that it secures on the Closing Date in respect thereof or in the case of Liens on cash deposits securing letters of credit issued and outstanding on the Closing Date ("Closing Date LCs"), Liens on cash deposits of an equivalent amount securing replacements or extensions of such letters of credit; provided, that the cash deposits securing the Closing Date LCs have been returned to the applicable Loan Party (or arrangements for the substantially concurrent return of such cash deposits to the applicable Loan Party have been made);

(e) any interest or title of a lessor, sublessor or licensor in or to any asset (other than Accounts or Inventory) under any lease, sublease or license entered into by Parent or its Subsidiaries in the ordinary course of business consistent with past practice and covering only such asset;

(f) purchase money Liens or the interests of lessors under Capital Leases, in each case, as to assets or property, other than Accounts or Inventory, to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches

only to the asset or property purchased or acquired (substantially contemporaneous with such purchase or acquisition) and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset or property purchased or acquired;

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business consistent with past practice and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests;

(h) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance consistent with past practice;

(i) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business consistent with past practice and not in connection with the borrowing of money;

(j) Liens on cash deposited to secure Parent's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business consistent with past practice;

(k) with respect to any Real Property, encumbrances, ground leases, easements or reservations of, or rights of others (including any reservations, limitations, provisos and conditions expressed in any original grant from the Crown with respect of any Real Property owned by Colt Canada) for, licensees, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) in each case as to the use of Real Property or Liens on Real Property incidental to the conduct of the business of Parent or its Subsidiaries or to the ownership of its Real Property that (in each case) do not individually or in the aggregate materially adversely affect the value of any such Real Property or materially impair, or interfere with, the use or operation of such Real Property;

(l) licenses of Intellectual Property to the extent constituting a Permitted Disposition under clause (d) of the definition thereof;

(m) rights of setoff or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business consistent with past practice;

(n) Liens in favor of customs, revenue or other tax authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(o) Liens on cash deposits to secure Indebtedness permitted by clause (n) of the definition of "Permitted Indebtedness";

(p) Liens arising from precautionary Code financing statement filings regarding operating leases entered into by Parent and its Subsidiaries in the ordinary course of business consistent with past practice;

(q) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business including Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions;

(r) in the event that a US Loan Party shall have purchased the facility underlying the West Hartford Lease, (i) third party mortgages securing Indebtedness not to exceed $[_____] at any time outstanding, (ii) a mortgage securing the Obligations, (iii) a mortgage securing the Term Loan Debt, (iv) a mortgage securing the Third Lien Debt, and (v) a mortgage securing the Fourth Lien Debt, all of which shall be on terms in form and substance reasonably acceptable to the Agent and the Lenders;

(s) with respect to any Real Property, minor survey exceptions, minor encumbrances, ground leases, easements or reservations or, or rights of others for, licenses, rights-of-way servitudes, sewers, restrictive consents, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) which (in each case) were not incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of such Real Property or materially impair, interfere with, the use or operation of such Real Property;

(t) leases, subleases, licenses or sublicenses to the extent permitted by clause (d) of the definition of Permitted Dispositions;

(u) Liens of Term Loan Agent to secure the Indebtedness permitted under clause (k), of the definition of Permitted Indebtedness, provided, that, such liens shall at all times be subject to the terms of the Senior Intercreditor Agreement;

(v) Liens of Third Lien Agent to secure the Indebtedness permitted under clause (l), of the definition of Permitted Indebtedness, provided, that, such Liens shall at all times be subject to the terms of the Junior Intercreditor Agreement; and

(w) Liens of Fourth Lien Trustee to secure the Indebtedness permitted under clause (m), of the definition of Permitted Indebtedness, provided, that, such Liens shall at all times be subject to the terms of the Junior Intercreditor Agreement.

Notwithstanding anything to the contrary contained in any of the Loan Documents, Permitted Liens shall not include any Liens on assets of any Loan Party which secure any Indebtedness or other obligations of any Foreign Subsidiary, except (x) as permitted by clause (a) of the definition of Permitted Liens and liens arising in respect of Indebtedness permitted under clauses (k), (l) and (m) of the definition of Permitted Indebtedness, (y) as consented to in writing by the Required Lenders or (z) Liens on assets of Canadian Loan Parties may secure Indebtedness and other obligations of Canadian Loan Parties to the extent permitted by Section 6.1 or 6.2 of the Agreement.

"Permitted Prior Liens" means Liens of the type described in clauses (b), (g), (h), (n), (p) and (r)(i) of the definition of "Permitted Liens" and permitted by Section 6.2 hereof (solely to the extent any such permitted Liens were incurred and valid, binding, enforceable, properly

perfected, and nonavoidable as of the Petition Date).

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes, or rental payment, provided that (a) a reserve or provision with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP and (b) such Lien or other obligations are being contested in good faith by appropriate proceedings diligently conducted and such proceedings operate to stay the enforcement of such Lien or any Lien securing any such obligations.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Purchase Money Indebtedness incurred after the Closing Date in an aggregate principal amount outstanding at any one time not in excess of $1,000,000.

"Person" means natural persons, corporations, companies, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, Governmental Authorities or otherwise.

"Petition Date" has the meaning specified in the recitals of the Agreement.

"Plan of Reorganization" has the meaning specified in the recitals of the Agreement.

"PPSA" means the Personal Property Security Act (Ontario), the Civil Code of Québec or any other applicable Canadian Federal, Provincial or Territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Prepetition Term Loan Agreement" means that certain Term Loan Agreement, dated as of November 17, 2014, entered into by Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDTS, Colt Netherlands, the prepetition term agent and the prepetition term lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the prepetition intercreditor agreement.

"Pro Rata Share" means, as of any date of determination, with respect to all matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (y) the outstanding principal amount of such Lender's Loan, by (z) the outstanding principal amount of the entire Loan.

"Prohibited IP Licenses" has the meaning specified therefor in Section 6.3(c).

"Projections" means Parent's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Parent's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Purchase Money Indebtedness" means Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof.

"Qualified Equity Interests" means Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that are not Disqualified Equity Interests. For the avoidance of doubt, for purposes of the exercise of the Cure Right under Section 8 hereof and not for any other purpose, Class A, Class B, and preferred equity (other than preferred equity that (a) is convertible into debt, (b) provides for mandatory cash pay dividends or distributions or (c) provides for any mandatory redemption in cash of such Equity Interest prior to the satisfaction in full in cash of each of the Obligations under the Agreement and the other Loan Documents) issued pursuant to the Second Amended and Restated Limited Liability Company Agreement of Parent as in effect on the Closing Date shall constitute Qualified Equity Interests and shall be permitted to be issued hereunder.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or its Subsidiaries and the improvements thereto.

"Real Property Collateral" means the Real Property identified on Schedule R-1 and any Real Property hereafter acquired by Parent or its Subsidiaries which is subject to a Lien in favor of Agent.

"Receiver" means a receiver, interim receiver, manager, receiver and manager, liquidator, trustee in bankruptcy or similar Person.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Register" has the meaning specified therefor in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning specified therefor in Section 13.1(h) of the Agreement.

"Regulation" has the meaning specified therefor in Section 4.32 of the Agreement.

"Reinvestment Event" means any event resulting in a prepayment requirement under Section 2.2(e)(i) of this Agreement in respect of which the Borrowers have delivered a Reinvestment Notice in accordance with the terms of this Agreement.

"Reinvestment Notice" means a written notice delivered to the Agent executed by a Responsible Officer stating that no Default or Event of Default has occurred and is continuing and that the Borrowers (directly or indirectly through a Guarantor) intend and expect to use all or a specified portion of the Net Cash Proceeds of such Reinvestment Event for a purpose permitted pursuant to Section 2.2(e)(i).

"Reinvestment Prepayment Date" means with respect to any Reinvestment Event, the earlier of (a) the date occurring sixty (60) days after such Reinvestment Event or any Loan Party

shall have entered into a binding commitment to reinvest such proceeds within sixty (60) days such date may be extended by an additional sixty (60) days and (b) the date on which the Borrowers (or their Subsidiaries) shall have determined not to, or shall have otherwise ceased to apply the applicable proceeds for a purpose permitted pursuant to Section 2.2(e)(i) of this Agreement.

"Related Fund" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials or violations of Environmental Law, in each case pursuant to Environmental Laws or Governmental Authority.

"Replacement Lender" has the meaning specified therefor in Section 2.9(b) of the Agreement.

"Report" has the meaning specified therefor in Section 15.16 of the Agreement.

"Required Lenders" means, at any time, Lenders whose aggregate Pro Rata Shares exceed 50%.

"Required Prepayment Date" has the meaning specified therefor in Section 2.2(e)(vii) of the Agreement.

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, provincial, territorial, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means any chief executive officer, president, senior vice president, executive vice president, chief operating officer, chief financial officer, chief accounting officer,

general counsel, treasurer or other similar officer of any Borrower.

"Restricted Payment" means to the declaration or payment of any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to Parent or such Subsidiary's stockholders, partners or members (or the equivalent Person thereof), or payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of Parent or any of its Subsidiaries, or any setting apart of funds or property for any of the foregoing.

"Sanctioned Entity" means (a) a region, country or a government of a region or country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a region or country, in each case, that is subject to a comprehensive sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals or other similar list maintained by OFAC.

"S&P" has the meaning specified therefor in the definition of "Cash Equivalents".

"Secured Parties" means the Agent, the Lenders, and any other Person from time to time holding any Obligations.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Agreement" means a security agreement, dated as of even date with the Agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by US Loan Parties to Agent.

"Security Documents" means the Canadian Guarantee, the Canadian Security Documents, the Dutch Security Documents, the other Foreign Security Documents, any Security Agreement, and other US Security Documents, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be required by the Required Lenders and/or are entered into in connection with the Agreement, including any other document purporting to grant a security interest.

"Sell" means, with respect to any property, to sell, convey, transfer, assign, license, lease or otherwise dispose of, any interest therein or to permit any Person to acquire any such interest, including, in each case, through a sale and leaseback transaction or through a sale, factoring at maturity, collection of or other disposal, with or without recourse, of any notes or accounts

receivable. Conjugated forms thereof and the noun "Sale" have correlative meanings.

"Senior DIP Agreement" has the meaning specified in the recitals of the Agreement.

"Senior Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the date hereof, entered into between the Agent and the Term Loan Agent, as amended and in effect from time to time.

"Senior Priority Collateral" has the meaning specified therefor in the Intercreditor Agreement.

"Solvent" means, at any time with respect to any Person, that at such time such Person is able to pay its debts as they become due in the ordinary course.

"Specified Canadian Pension Plan" means any Canadian Pension Plan which contains a "defined benefit provision", as defined in subsection 147.1(1) of the Income Tax Act (Canada).

"Specified Government Property" means any and all property loaned, leased or otherwise provided to a Loan Party pursuant to or in connection with a Specified Government Property Loan Agreement.

"Specified Government Property Loan Agreement" means, individually and collectively, (a) the Loan Agreement, executed on or about May 27, 2009, between Colt Canada and Department of National Defence (Canada), and (b) any other agreement between any Loan Party and the national government of Canada or any of its agencies or instrumentalities pursuant to which the national government of Canada or any of its agencies or instrumentalities lends, leases or otherwise provides goods to a Loan Party to be used by a Loan Party for purposes of performing work pursuant to a supply or similar agreement between a Loan Party and the national government of Canada or any of its agencies or instrumentalities.

"Specified Loan Party" means any Loan Party (a) that is not formed, organized and/or incorporated under the laws of the United States of America, any state thereof, the District of Columbia, Canada (or any province or territory thereof) or the Netherlands and (b) for which Agent has provided notice to Administrative Borrower that such Loan Party is a Specified Loan Party.

"Specified Transaction" means (i) any Investment permitted under the Agreement that results in a Person becoming a Subsidiary, (ii) any sale, disposition or transfer that results in a Subsidiary ceasing to be a Subsidiary of Parent or any, in each case, whether by merger, consolidation, amalgamation or otherwise, (iii) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit, unless such Indebtedness has been permanently repaid and has not been replaced), or (iv) any other transaction that by the terms of the Agreement requires any financial ratio (or component definition) to be calculated on a pro forma basis.

"Stated Maturity Date" means [December 28, 2020].

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or

other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity. Unless otherwise specified, all references herein to a "Subsidiary" or "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Loan Parties.

"Tax Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Taxes" means any taxes, levies, imposts, duties, assessments or other similar charges now or hereafter imposed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"TDP" means data that is used in the production of firearms or accessories for firearms, including, but not limited to, engineering drawings, three dimensional CAD models, associated lists, material specifications, product specifications, tooling and gauging, including associated drawings and models, assembly instructions, fixtures, including associated drawings, engineering change information, previous revision information, process specifications and standards, as may be revised from time to time.

"Term Loan Agent" shall mean Wilmington Savings Fund Society, FSB and its successors and assigns, including any successor or replacement agent under the Term Loan Agreement.

"Term Loan Agreement" shall mean the Term Loan Agreement, dated as of the date hereof, by and among Term Loan Agent, Term Loan Lenders, Parent and certain of its affiliates, as may hereafter be further amended, modified, supplemented, extended, renewed, restated, refinanced or replaced in accordance with the terms of the Intercreditor Agreement.

"Term Loan Debt" shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to Term Loan Agent and Term Loan Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Term Loan Documents, which shall be subject to the terms of the Intercreditor Agreement.

"Term Loan Debt Amount" shall mean $[87,931,668.57].

"Term Loan Documents" shall mean, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, in each case in accordance with the terms of the Intercreditor Agreement): (a) the Term Loan Agreement; and (b) each other "Loan Document" (as defined in the Term Loan Agreement) and (c) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Term Loan Agent or any Term Loan Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Term Loan Document".

"Term Loan Lenders" shall mean the lenders under the Term Loan Agreement and their respective successors and assigns.

"Term Priority Collateral" shall have the meaning specified therefor in the Intercreditor Agreement.

"Third Lien Agent" shall mean Cantor Fitzgerald Securities, and its permitted successors and assigns.

"Third Lien Credit Agreement" shall mean the Third Lien Credit Agreement, dated as of the date hereof, by and among the Loan Parties, the Third Lien Agent and the Third Lien Lenders, as may hereafter be further amended, modified, supplemented, extended, renewed, restated or replaced in accordance with the terms of the Junior Intercreditor Agreement.

"Third Lien Debt" shall mean all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to Third Lien Agent and the Third Lien Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Third Lien Loan Documents, which shall be subject to the terms of the Junior Intercreditor Agreement.

"Third Lien Lenders" shall mean the lenders party to the Third Lien Credit Agreement.

"Third Lien Loan Debt Amount" shall mean, initially, $50,000,000, provided that such amount may be increased by an additional $5,000,000 after the Closing Date, plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Third Lien Credit Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith, in each case, to the extent not prohibited by the terms and provisions of the Junior Intercreditor Agreement.

"Third Lien Loan Documents" shall mean, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, in each case in accordance with the terms of the Junior Intercreditor Agreement): (a) the Third Lien Credit Agreement; and (b) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Third Lien Agent or any Third Lien Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Third Lien Loan Document".

"Trademark Security Agreement" has the meaning specified therefor in the Security Agreement or the Canadian Security Agreement, as the case may be.

"UCC Filing Authorization Letter" means a letter duly executed by each Loan Party authorizing Agent to file appropriate financing statements on Form UCC-1 in such office or offices as may be necessary or, in the opinion of Agent or the Required Lenders, desirable to perfect the security interests purported to be created by each US Security Document.

"Underlying Debt" has the meaning specified therefor in Section 15.20.

"United States" means the United States of America.

"Unrestricted Cash" means cash or Cash Equivalents of any Loan Party organized under the laws United States or Canada that are not subject to any express contractual restrictions on the application thereof (it being expressly understood and agreed that, for the avoidance of doubt, affirmative and negative covenants and events of default that do not expressly restrict the application of such cash or Cash Equivalents shall not constitute express contractual restrictions for purposes of this definition) and not subject to any Lien (other than Liens created by the Loan Documents, non-consensual Liens permitted by Section 6.2 and (whether or not consensual) Liens permitted by clauses (u), (v) and (w) of the definition of Permitted Liens); provided; however; that for the purposes of this definition the cash or Cash Equivalents of any Loan Party organized under the laws of Canada shall be net of out of pocket costs or fees and applicable taxes, necessary to repatriate such cash determined by Parent in good faith.

"US Borrower" means, collectively, (a) Colt Defense LLC, a Delaware limited liability company, and (b) any other person that after the Closing Date becomes a US Borrower under the Agreement; and "Borrower" means any one of them.

"US Dollar Denominated Loan" means a Loan denominated in US Dollars.

"US Dollar Equivalent" means at any time (a) as to any amount denominated in US Dollars, the amount thereof at such time, and (b) as to any amount denominated in any other currency, the equivalent amount in US Dollars calculated by Agent in good faith at such time using the exchange rate in effect on the Business Day of determination.

"US Dollars", "US$" and "$" shall each mean lawful currency of the United States of America.

"US Loan Parties" means US Borrowers and each Guarantor organized under the laws of the United States; each sometimes being referred to individually as a "US Loan Party".

"US Security Documents" means the Security Agreement, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and each other document identified as a US Security Document on Schedule S (as such Schedule may be amended or supplemented by Agent (at the written direction of the Required Lenders) to add additional US Security Documents in connection with in connection with the Loan Documents), and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be required by the Required Lenders.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Waivable Mandatory Prepayment" has the meaning specified therefor in Section 2.2(e)(vii) of the Agreement.

"West Hartford Lease" means the lease agreement dated [ ] with respect to [ ][2], being the Parent's primary location in West Hartford, Connecticut, among [ ] and [ ], as it may be amended with the consent of the Required Lenders.

[2] NTD: Insert exact address.

"Winding-Up Act" means the Winding-Up and Restructuring Act (Canada), R.S.C., C.W.-11, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented together with all official rules, regulations and interpretations thereunder or related thereto.

Exhibit B

Term Loan Exit Credit Agreement

SENIOR SECURED

TERM LOAN AGREEMENT

by and among

COLT DEFENSE LLC

AND
COLT CANADA CORPORATION,

as Borrowers,

THE SUBSIDIARIES AND AFFILIATES OF COLT DEFENSE LLC NAMED AS GUARANTORS HEREIN,

as Guarantors,

THE LENDERS THAT ARE PARTIES HERETO,

as the Lenders,

and

WILMINGTON SAVINGS FUND SOCIETY, FSB,

as Agent

Dated as of December [ ], 2015

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EXHIBITS AND SCHEDULES

SENIOR SECURED TERM LOAN AGREEMENT

THIS SENIOR SECURED TERM LOAN AGREEMENT (this "Agreement"), is entered into as of December [ ], 2015, by and among:

(i) the lenders identified on the signature pages hereof (each of such lenders, together with their respective successors and permitted assigns, are referred to hereinafter as a "Lender," as that term is hereinafter further defined);

(ii) WILMINGTON SAVINGS FUND SOCIETY, FSB ("WSFS"), as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent");

(iii) COLT DEFENSE LLC, a Delaware limited liability company ("Colt US") and COLT CANADA CORPORATION, a Nova Scotia unlimited company ("Colt Canada", and together with Colt US, each individually, a "Borrower" and, collectively, "Borrowers"); and

(iv) COLT HOLDING COMPANY LLC, a Delaware limited liability company ("Parent"), COLT SECURITY LLC, a Delaware limited liability company ("Colt Security"), COLT FINANCE CORP., a Delaware corporation ("Colt Finance"), NEW COLT HOLDING CORP., a Delaware corporation ("New Colt"), COLT'S MANUFACTURING COMPANY LLC, a Delaware limited liability company ("Colt's Manufacturing"), COLT DEFENSE TECHNICAL SERVICES LLC, a Delaware limited liability company ("CDTS"), CDH II HOLDCO INC., a Delaware corporation ("CDH II"), COLT'S MANUFACTURING IP HOLDING COMPANY LLC, a Delaware limited liability company ("US IP Holdco"), COLT CANADA IP HOLDING COMPANY, a Nova Scotia unlimited company ("Canada IP Holdco", together with US IP Holdco, the "IP Holdcos") and COLT INTERNATIONAL COOPERATIEF U.A., a cooperative organized under the laws of the Netherlands registered with the trade register of the Chamber of Commerce in the Netherlands under number 56651317 ("Colt Netherlands" and, together with Parent, Colt Security, Colt Finance, New Colt, Colt's Manufacturing, CDTS, CDH II, the IP Holdcos and any other Guarantor party hereto from time to time, each individually a "Guarantor" and, collectively, "Guarantors").

WITNESSETH:

WHEREAS, on June 14, 2015 (the "Petition Date"), certain of the Borrowers and certain of the Guarantors (collectively, the "Debtors" and each individually, a "Debtor") each commenced a case (collectively, the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, on June 17, 2015, the Parent, as the Foreign Representative on behalf of the Debtors, commenced a recognition proceeding under Part IV of the CCAA in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") to recognize in Canada the Chapter 11 Cases as foreign main or non-main proceedings (the "CCAA Recognition Proceedings");

WHEREAS, prior to the Petition Date, certain lenders provided financing to, among others, the Borrowers pursuant to the Prepetition Term Loan Agreement, among Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDTS, Colt Netherlands, WSFS, as agent (in such capacity, the "Prepetition Term Agent"), and the financial institutions or entities from time to time party thereto (collectively, the "Prepetition Term Lenders");

WHEREAS, after the Petition Date, certain lenders provided financing to, among others, the Borrowers pursuant to the DIP Term Loan Agreement, among Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDH II, CDTS, Colt Netherlands, WSFS, as agent (in such capacity, the "DIP Term Agent"), and the financial institutions or entities from time to time party thereto (collectively, the "DIP Term Lenders");

WHEREAS, the obligations of the borrowers and the guarantors under each of the Existing Credit Agreements are secured pursuant to the Security Documents (each as defined in each of the Existing Credit Agreements, as the case may be);

WHEREAS, the Borrowers have requested that the Lenders provide a $[98,500,000][1] senior secured term loan facility (the "Facility") to Borrowers to, among other things, refinance the Existing Credit Agreements, upon substantial consummation of the Confirmed Plan of Reorganization (the "Plan Consummation");

WHEREAS, upon Plan Consummation, the Borrowers and Guarantors shall enter into the Senior Loan Documents, the proceeds of which shall be used to refinance the Existing Senior DIP Loan Facility;

WHEREAS, (i) upon Plan Consummation, the Borrowers and Guarantors shall enter into the Third Lien Loan Documents, pursuant to which the Borrowers shall borrow [$50,000,000] from the lenders thereunder, the proceeds of which shall be used to pay transaction fees, costs and expenses, provide working capital and fund certain obligations of the reorganized Debtors under the Confirmed Plan of Reorganization and (ii) from time to time following Plan Consummation, Borrowers may borrow up to an additional $5,000,000 (the "Additional Permitted Holder Amount") pursuant to the Third Lien Loan Documents from the lenders thereunder, the proceeds of which may be used to fund Cure Amounts, a portion of the purchase price for the facility underlying the West Hartford Lease or for general working capital purposes;

WHEREAS, upon Plan Consummation, the Borrowers and Guarantors shall enter into the Fourth Lien Note Documents, pursuant to which the Borrowers shall incur up to $[7,000,000] in the aggregate of Indebtedness and issue one or more notes issued under an indenture evidencing such Indebtedness to certain Persons as distributions on account of claims as settled in the Chapter 11 Cases and as set forth in the Confirmed Plan of Reorganization; and

WHEREAS, the Lenders have indicated their willingness to provide the Facility on the terms and conditions set forth herein.

The parties agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings specified

[1] NTD: This amount reflects principal amounts outstanding under the MS DIP plus prepetition TL as of the date of the term sheet draft, inclusive of an estimated amount for the prepetition TL's back-end fee and make whole premium amounts, plus certain accrued interest amounts. If acceptable terms for exit financing (including terms and provisions in the plan of reorganization and confirmation order including exculpations and releases) and overall capital structure are achieved, MS will, consistent with prior discussions, waive the back-end fee and make whole premium amounts otherwise due and payable. If such amounts are waived, as of December 31, 2015 the loan balances to be rolled into this Facility will be approximately $87,931,668.57.

thereto on Schedule 1.1.

1.2 Accounting Terms. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent as filed with the Disclosure Statement; provided, however, that (a) upon the adoption by Parent of IFRS as required by Parent's independent certified public accountants and notification by Administrative Borrower to Agent of such adoption (the "IFRS Adoption") or (b) if Administrative Borrower notifies Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Administrative Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such the IFRS Adoption or Accounting Change or in the application thereof, then Agent, at the direction of the Required Lenders, and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such IFRS Adoption or Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such IFRS Adoption or Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement, including the covenants, shall be calculated in accordance with GAAP as in effect, and as applied by Parent and its Subsidiaries as if no such IFRS Adoption or Accounting Change had occurred. In the case of the IFRS Adoption or the Accounting Change, until such covenants are amended in a manner satisfactory to Parent, Agent and the Required Lenders (i) all calculations made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence immediately prior to such adoption and (ii) financial statements delivered pursuant to Section 5.1 shall be accompanied by a reconciliation showing the adjustments made to calculate such financial ratios and financial covenants. Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that does not include any qualification, explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" or "Borrowers" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. For purposes of calculations pursuant to the terms of this Agreement, GAAP will be deemed to treat operating leases in a manner consistent with the current treatment under GAAP as in effect on the Closing Date, notwithstanding any modification or interpretive changes thereto that may occur hereafter.

1.3 Code. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein and any terms used in this Agreement that are defined in the PPSA and pertaining to Collateral consisting of assets of any Canadian Loan Party (excluding any tangible assets of any Canadian Loan Party which are located in the United States of America in which case such terms shall be construed and defined as set forth in the Code) shall be construed and defined as set forth in the PPSA unless otherwise defined herein; provided, however, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 Construction. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are not limiting, 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 or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, replacements, substitutions, joinders, and supplements set forth herein). 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. Any reference herein to any Person shall be construed to include such Person's successors and assigns. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 14.1, or, if it is an Event of Default under Section 7.1 or 7.2, the Borrowers have exercised a Cure Right with respect to such Event of Default in accordance with the procedures set forth in the last paragraph of Section 8. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations, the Secured Obligations (as defined in the Security Documents) or the Guarantied Obligations (as defined in the applicable Guaranty) shall mean the repayment in full in cash or immediately available funds of all of the Obligations other than unasserted indemnification Obligations; and the satisfactory provision for payment of such unasserted Obligations to the extent they may reasonably become asserted and payable. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided, that, with respect to a computation of fees or interest payable to Agent or any Lender, such period shall in any event consist of at least one full day. Unless the context of this Agreement or any other Loan Document clearly requires otherwise or the Required Lenders otherwise determine, amounts expressed in US Dollars at any time when used with respect to Foreign Subsidiaries or similar matters shall be deemed to mean the US Dollar Equivalent of such amounts at such time.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

1.6 Pro Forma and Other Calculations.

(a) Notwithstanding anything to the contrary herein and except as expressly provided in Section 7, financial ratios and tests, including Consolidated EBITDA and the Fixed Charge Coverage

Ratio and any other requirement herein to determine pro forma compliance, shall be determined based on the most recently ended twelve (12) fiscal month period.

(b) For purposes of calculating any financial ratio or test, Specified Transactions (including, with any incurrence or repayment of any Indebtedness in connection therewith to be subject to clause (d) of this Section 1.6) that have been made (i) during the applicable period or (ii) if applicable as described in clause (a) above, subsequent to such period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable period. If, since the beginning of any applicable period, any Person that subsequently became a Subsidiary or was merged, amalgamated or consolidated with or into Parent or any of its Subsidiaries since the beginning of such period as a result of a Specified Transaction that would have required adjustment pursuant to this Section 1.6, then such financial ratio or test shall be calculated to give pro forma effect thereto in accordance with this Section 1.6.

(c) Whenever pro forma effect is to be given to any Specified Transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Parent, which shall include any adjustments that would be required to be included in a Registration Statement on Form S-1 in accordance with Article 11 of Regulation S-X promulgated under the Securities Act; provided, however, that, without the prior written consent of the Required Lenders, no such pro forma calculations shall include any cost savings, operating expense reductions, synergies or other similar items.

(d) In the event that (x) Parent or any Subsidiary of Parent incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and any related commitment thereof terminated and not replaced), or (y) Parent or any Subsidiary of Parent issues, repurchases or redeems Disqualified Equity Interests, in each case, included in the calculations of any financial ratio or test, (i) during the applicable period or (ii) subsequent to the end of the applicable period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, or such issuance or redemption of Disqualified Equity Interests, in each case to the extent required, as if the same had occurred on the last day of the applicable period (except in the case of Consolidated EBITDA and the Fixed Charge Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee, redemption, repayment, retirement or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Equity Interests will be given effect, as if the same had occurred on the first day of the applicable period). Notwithstanding the foregoing or any other provision contained in the Loan Documents, with respect to the repayment or redemption of Indebtedness with the proceeds of an Excluded Issuance, such repayment or redemption shall be disregarded for all purposes under this Agreement, including the calculation of any financial covenants or ratios and, for the avoidance of doubt, Sections 7.1 and 7.2, until Parent has delivered the financial information required under Section 5.1 for the first full fiscal quarter of Parent ending after the fiscal quarter in which such repayment or redemption was made.

(e) If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of Consolidated EBITDA or the Fixed Charge Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements

applicable to such Indebtedness permitted by this Agreement). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of Parent to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as Parent or Subsidiary may designate.

2. TERM LOAN AND TERMS OF PAYMENT.

2.1 Term Loan.

(a) Subject to the terms and conditions of this Agreement (including, without limitation, Sections 3.1, 3.2, and 3.3) on the Closing Date, each Lender with a Term Loan Commitment (severally, not jointly or jointly and severally) shall be deemed to make a term loan (collectively, the "Term Loan") to Borrowers in an amount equal to such Lender's Pro Rata Share of the Term Loan Amount, which Term Loan shall be deemed made by the Lenders to the Borrowers and shall be deemed to have repaid in full each of the DIP Term Loan Debt and the Prepetition Term Loan Debt after giving effect to the agreed reduction of such Indebtedness as set forth in the Lenders' Fee Letter.

(b) Each Term Loan made by each Lender shall be evidenced by this Agreement and, if requested by a Lender, a Term Note payable to such Lender or its registered assigns in the original principal amount of such Term Loan.

(c) The outstanding unpaid principal balance of, and all accrued and unpaid interest on the Term Loan and all other outstanding Obligations shall be due and payable on the earlier of (i) the Maturity Date and (ii) the date of the acceleration of the Term Loan in accordance with the terms hereof. Any principal amount of the Term Loan that is repaid or prepaid may not be re-borrowed. All principal of, interest on, and other amounts payable in respect of the Term Loan, including any premiums, fees, expenses or other additional amounts owed, shall constitute Obligations hereunder.

2.2 Payments; Reductions of Commitments; Prepayments.

(a) **Payments by Borrowers**.

(i) Except as otherwise expressly provided herein, all payments by any Borrower shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds, no later than 11:00 a.m. (New York time) on the date specified herein. Any payment received by Agent later than 11:00 a.m. (New York time) shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Administrative Borrower prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the interest rate then applicable to the Term Loan for each day from the date such amount is distributed to such Lender until the date repaid.

(b) **Apportionment and Application**.

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein, including with respect to Defaulting Lenders, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) entitled to such payments and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account) shall be apportioned ratably among the Lenders having a Pro Rata Share of the type of Obligation to which a particular fee or expense relates. All payments to be made hereunder by Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing, to repay the remaining Term Loan, and, thereafter, to Borrowers (to be wired to a Designated Account) or such other Person entitled thereto under applicable law (subject to Section 2.2(e)).

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders, all payments remitted to Agent in respect of the Obligations and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any fees then due to Agent under the Loan Documents until paid in full,

(C) third, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full,

(D) fourth, ratably, to pay any fees (including any fees, premiums and penalties specified in Section 2.6) then due to any of the Lenders under the Loan Documents until paid in full,

(E) fifth, to pay interest due in respect of the Term Loan until paid in full,

(F) sixth, to pay the principal of the Term Loan until paid in full,

(G) seventh, to pay any other Obligations other than Obligations owed to Defaulting Lenders to pay any other Obligations,

(H) eighth, ratably to pay any Obligations owed to Defaulting Lenders,

(I) ninth, to be held by Agent as security for any unasserted or contingent obligations that may reasonably be expected to become due, and

(J) tenth, to Borrowers or such other Person entitled thereto under applicable law.

(iii) For purposes of Section 2.2(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, whether or not any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(c) **Reduction of Commitments**.

(i) **Termination of the Term Loan Commitments**. The Term Loan Commitments shall terminate upon the making (or deemed making) of the Term Loan on the Closing Date. Notwithstanding the foregoing, all of the Term Loan Commitments shall automatically terminate at 5:00 p.m., New York time, on December [ ], 2015 if the Closing Date shall have not occurred by such time.

(d) **Optional Prepayments**.

(i) **Term Loan**. The Borrowers may, at any time and from time to time, upon at least 5 Business Days' prior written notice to Agent (or such shorter period as the Required Lenders may agree to in their sole discretion), prepay the principal of the Term Loan, in whole or in part. Each prepayment made pursuant to this Section 2.2(d)(i) shall be (1) accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and the payment of any premiums or penalties required by Section 2.6(c), (2) in a minimum amount of $500,000, or the remaining balance of the Term Loan, if less, and, for the avoidance of doubt, and (3) accompanied by the Applicable Prepayment Premium.

(e) **Mandatory Prepayments**.

(i) **Dispositions**. Within five (5) Business Days of the date of receipt by Parent or any of its Subsidiaries of the Net Cash Proceeds of any voluntary or involuntary sale, Casualty Event or other form of disposition by Parent or any of its Subsidiaries of assets (excluding (x) IP License Proceeds that otherwise are subject to prepayment under Section 2.2(e)(v) or sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b), (c), (e), (i) (except to the extent constituting an IP License), (j), (l) or (m) (to the extent relating to Permitted Investments of the type described under clause (a) of the definition thereof) of the definition of Permitted Dispositions and (y) any single sale or disposition (including any Casualty Event) or series of related sales or dispositions for which the aggregate amount of Net Cash Proceeds received from such sales or dispositions or series of related sales or dispositions does not exceed an aggregate amount of $500,000 from the Closing Date), Borrowers shall prepay the outstanding Obligations and apply such proceeds in accordance with Section 2.2(f) in an amount equal to 100% of such Net Cash Proceeds (including in connection with a Casualty Event) received by such Person; provided that on or prior to the date when such prepayment is payable, the Administrative Borrower may deliver to the Agent a Reinvestment Notice so long as, at such time, there is no Default or Event of Default that has occurred and is continuing and the Administrative Borrower shall have deposited such proceeds otherwise required to be prepaid with the Agent in a Designated Account. In the event that the Administrative Borrower timely shall have delivered a Reinvestment Notice and deposited the applicable proceeds in accordance with the foregoing, then (x) the Borrowers shall not be required to make a prepayment of the amount subject to the Reinvestment Notice, but may instead reinvest, within sixty (60) days, or, if any Loan Party shall have entered into a binding commitment to reinvest such proceeds, within sixty (60) days such date may be extended by an additional sixty (60) days, to the extent of the amount subject to such commitment, after delivery of such Reinvestment Notice, an amount not to exceed the aggregate amount of $5,000,000 from the Closing Date, in one or more assets used or useful in the business of the Parent and its Subsidiaries (other than cash or Cash Equivalents) (provided, that, if the Net Cash Proceeds were received on account of Term Priority Collateral, then any reinvestment must be in assets that constitute Term Priority Collateral and if the Net Cash Proceeds were received on account of an event applicable to a Loan Party, then any reinvestment may be only by a Loan Party) and (y) on any Reinvestment Prepayment Date an amount equal to the amount of the proceeds subject to the Reinvestment Notice, to the extent not reinvested in accordance with the terms contained herein, shall be applied toward the prepayment of the Obligations in accordance with Section 2.2(f), less the amount equal to the Applicable Prepayment Premium that was in effect on the date when the proceeds first were

deposited in the Designated Account. The amount deducted from any prepayment required hereunder shall be utilized to satisfy any Applicable Prepayment Premium, which premium payment amount shall be paid immediately to the Agent for the benefit of the Lenders and shall not reduce the balance of the Loans outstanding. Nothing contained in this Section 2.2(e)(i) shall permit Parent or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.5.

(ii) **Extraordinary Receipts**. Within five (5) Business Days of the date of receipt by Parent or any of its Subsidiaries of any Extraordinary Receipts, Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable and documented expenses directly incurred in collecting such Extraordinary Receipts.

(iii) **Indebtedness and Equity Issuances**. Within five (5) Business Days of the date of incurrence or issuance by Parent or any of its Subsidiaries of any Indebtedness (other than Permitted Indebtedness) or the issuance of Equity Interests (other than (i) Net Cash Proceeds used to provide a Cure Amount) or (ii) in the event that all or a portion of the Additional Permitted Holder Amount is funded through equity contributions rather than pursuant to the Third Lien Loan Documents, such Additional Permitted Holder Amount), Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence or issuance. The provisions of this Section 2.2(e)(iii) shall not be deemed to be implied consent to any such incurrence or issuance otherwise prohibited by the terms of this Agreement.

(iv) **Change of Control**. Borrowers shall immediately prepay the outstanding Obligations in full in the event that a Change of Control shall have occurred.

(v) **IP License Proceeds**. Within five (5) Business Days of the date of receipt by Parent or any of its Subsidiaries of any IP License Proceeds, the Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 75% of such IP License Proceeds, provided that (x) such percentage shall be reduced to 50% if the Consolidated EBITDA of the Parent and its Subsidiaries for the last twelve month period for which financial statements were delivered in accordance with Section 5.1 is greater than $35,000,000 and (y) no prepayment shall be required unless the aggregate amount of all such IP License Proceeds exceeds $10,000,000 following the Closing Date. All IP License Proceeds shall be deposited into the IP Proceeds Account until the Borrowers have determined, in the ordinary conduct of the Loan Parties' business, to use such proceeds subject to the requirements of Section 6.21(b) of the Agreement. For the avoidance of doubt, IP License Proceeds subject to prepayment shall be reduced by an amount equal to the Applicable Prepayment Premium then in effect, which amount shall not be required to be deposited into the IP Proceeds Account but, instead, shall be required to be paid to the Agent for the benefit of the Lenders, and such premium amount shall not reduce the balance of the Loans outstanding.

(vi) **Waivable Mandatory Prepayments**. Anything contained herein to the contrary notwithstanding, in the event Borrowers are required to make any mandatory prepayment (a "Waivable Mandatory Prepayment") of the Term Loan pursuant to this Section 2.2(e), not less than five (5) Business Days prior to the date (the "Required Prepayment Date") on which Borrowers are required to make such Waivable Mandatory Prepayment, Administrative Borrower shall notify Agent of the amount of such prepayment, and Agent will promptly thereafter notify each Lender of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment and such Lender's option to refuse such amount. Each such Lender may exercise such option by giving written notice to Administrative Borrower and Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Lender that does not notify Administrative Borrower and Agent of its election to exercise such option on or before the first Business Day prior to the Required Prepayment

Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, Borrowers shall pay to Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (A) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Term Loans of such Lenders (which prepayment shall be applied to prepay the outstanding principal amount of the Obligations in accordance with Section 2.2(f) and (B) to the extent of any excess, to Borrowers for working capital and general corporate purposes.

(f) **Application of Payments**.

(i) Any prepayment required pursuant to Section 2.2(e) shall be preceded by irrevocable written notice delivered to Agent by 11:00 A.M., New York City time, not less than three (3) Business Days prior to the date of such prepayment, specifying the underlying reason for the mandatory prepayment and the amount of the same (it being understood that failure to deliver such notice does not modify the prepayment obligations set forth in Section 2.2(e)).

(ii) Each prepayment pursuant to Section 2.2(d) or Section 2.2(e) shall be accompanied by accrued and unpaid interest on the principal amount of the Obligations required to be prepaid, plus (other than in the case of prepayments resulting solely from a Casualty Event) the amount equal to any Applicable Prepayment Premium (which premium amount may be paid by reducing the amount of Loans otherwise required to be prepaid, in the manner set forth in Section 2.6(c)) and shall (A) so long as no Application Event shall have occurred and be continuing, be applied, to the outstanding principal amount of the remaining Term Loan until paid in full, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.2(b)(ii).

(iii) With respect to any mandatory prepayment required by Section 2.2(e)(i), (ii), (iii) and (iv): (A) if the proceeds are with respect to any Senior Priority Collateral, such proceeds shall be applied (x) first, to the Senior Obligations, to the extent required by the Senior Credit Agreement until paid in full, and (y) second, in accordance with the other requirements of Section 2.2(f) of this Agreement, until paid in full; and (B) if the proceeds are with respect to any other assets of the Loan Parties not described in sub-clause (A) or are IP License Proceeds, such proceeds shall be applied in accordance with the other requirements of Section 2.2(f) of this Agreement, until paid in full.

2.3 Interest Rate: Rate, Payments, and Calculations.

(a) **Cash Interest**. Except as provided in Section 2.3(b) and Section 2.3(c), all Loans, and other unpaid Obligations shall bear interest at a rate per annum equal to 10.00% ("Cash Interest").

(b) **Default Rate**. Upon the occurrence and during the continuation of an Event of Default and subject to all applicable laws, all Loans and all other unpaid Obligations shall bear interest at a per annum rate equal to two (2) percentage points above the per annum rates otherwise applicable thereto (and if no rate is otherwise applicable thereto, a per annum rate equal to two (2) percentage points).

(c) **Payment**. All interest, and all fees payable hereunder or under any of the other Loan Documents and all costs and expenses payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first Business Day of each month at any time that Obligations are outstanding, except as otherwise provided herein.

(d) **Computation**. All interest shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. For the purposes of the Interest Act (Canada), the yearly rate of interest to which any rate calculated on the basis of a period of time different from the actual number of

days in the year (360 days, for example) is equivalent is the stated rate multiplied by the actual number of days in the year (365 or 366 days) and divided by the number of days in the shorter period (360 days, in the example).

(e) **Intent to Limit Charges to Maximum Lawful Rate**.

(i) In no event shall the aggregate "interest" (as defined in Section 347 (the "Criminal Code Section") of the *Criminal Code* (Canada)), payable to any member of the Lender Group under this Agreement or any other Loan Document exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section on the "credit advanced" (as defined in such section) under this Agreement or any other Loan Document. Further, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the affected Borrower and the affected member of the Lender Group and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the Criminal Code Section to result in a receipt by such member of the Lender Group of interest at a rate not in contravention of the Criminal Code Section, such adjustment to be effected, to the extent necessary, as follows:

(A) firstly, by reducing the amounts or rates of interest required to be paid to that member of the Lender Group; and

(B) then, by reducing any fees, charges, expenses and other amounts required to be paid to the affected member of the Lender Group which would constitute "interest",

it being understood that in the event of any such reduction, the amount by which the Obligations are reduced shall be deemed to be an Obligation of the non-Canadian Loan Parties.

(ii) Notwithstanding the above terms of this Section 2.3(e), and after giving effect to all such adjustments, if any member of the Lender Group shall have received an amount in excess of the maximum permitted by the Criminal Code Section, then the affected Borrower shall be entitled to obtain reimbursement from that member of the Lender Group in an amount equal to such excess. For greater certainty, to the extent that any charges, fees or expenses are held to be within such meaning of "interest", such amounts shall be pro-rated over the period of time to which they relate or otherwise over the period from the date hereof to the date on which all of the Obligations are irrevocably repaid.

2.4 Crediting Payments; Clearance Charge. The receipt of any payment item by Agent shall not be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 11:00 a.m. (New York time). If any payment item is received into Agent's Account on a non-Business Day or after 11:00 a.m. (New York time) on a Business Day, it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.5 Maintenance of Loan Account; Statements of Obligations. Agent shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with the Term Loan made by the Lenders to Borrowers or for Borrowers' account and with all other

payment Obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.4, the Loan Account will be credited with all payments received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers quarterly statements regarding the Loan Account, including the principal amount of the Term Loan interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within thirty (30) days after Agent first makes such a statement available to Borrowers, the Administrative Borrower shall deliver to Agent written objection thereto describing the error or errors contained in such statement. The Borrowers shall continue to have such obligations notwithstanding any failure by the Agent to maintain the Loan Account.

2.6 Fees and Prepayment Premium.

(a) **Fees**. Borrowers shall pay to Agent for the account of the Lenders, as and when due and payable under the terms of the Lenders' Fee Letter, the fees and other amounts set forth in the Lenders' Fee Letter. Such fees and other amounts shall be fully earned when paid and shall not be refundable under any circumstances.

(b) **Agent Fees**. Borrowers shall timely pay to Agent such fees and expenses as are required under the Agent Fee Letter.

(c) **Prepayment Premium**. Upon any (i) voluntary prepayment of the Term Loan pursuant to Section 2.2(d), (ii) termination of this Agreement pursuant to Section 3.4, (iii) requirement to make a prepayment pursuant to Section 2.2(e) (other than a prepayment resulting from a Casualty Event), (iv) acceleration or deemed acceleration upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5 or (v) shortening of the Maturity Date in accordance with Section 3.2, then on the date of repayment, prepayment or termination (or the date when repayment or prepayment should have occurred or deemed termination occurred or the date when the Borrowers shall have deposited, or shall have been required to deposit, proceeds in a Designated Account), the amount which the Borrowers are obligated to pay to the Agent pursuant to Sections 2.2(d) or 2.2(e) (or deposit in a Designated Account) shall be deemed to have been reduced by an amount equal to the Applicable Prepayment Premium as then in effect, with such amount equal to the Applicable Prepayment Premium to be paid to the Agent for the ratable benefit of the Lenders. Calculations of the Applicable Prepayment Premium shall be made by the Borrowers; provided that the Agent shall have the right to review and adjust such calculations. For the avoidance of doubt, the Applicable Prepayment Premium shall be due and owing to the Lenders, including in the event of acceleration (whether voluntary or involuntary and including whether upon a Chapter 11 or CCAA filing or otherwise) of the Term Loans. Amounts due in connection with any Applicable Prepayment Premium shall constitute Obligations for all purposes hereunder.

2.7 Capital Requirements.

(a) If, after the date hereof, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on such

Lender's or such holding company's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Administrative Borrower and Agent thereof. Following receipt of such notice, Borrowers agree to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, (A) no Borrower shall be required to compensate a Lender pursuant to this Section for any reductions in return incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies Administrative Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor and (B) if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred and eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. For purposes of this Section 2.7(a), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Basel Committee on Banking Supervision (of any successor or similar authority), the Bank for International Settlements and (in each case) all rules, regulations, orders, requests, guidelines or directives in connection therewith are deemed to have been enacted and become effective after the date of this Agreement.

(b) If any Lender requests amounts under Section 2.7(a) or sends a notice relative to changed circumstances (any such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.7(a) and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers' obligation to pay any future amounts to such Affected Lender pursuant to Section 2.7(a), then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.7(a) may, unless prior to the effective date of any such assignment the Affected Lender withdraws its request for such additional amounts under Section 2.7(a) may seek a substitute Lender acceptable to the Required Lenders to purchase the Obligations owed to such Affected Lender and such Affected Lender's Commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and Commitments, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender shall cease to be a "Lender" for purposes of this Agreement.

2.8 Joint and Several Liability of Borrowers.

(a) Each Borrower is accepting joint and several liability for the Obligations hereunder and under the other Loan Documents in consideration of the financial accommodations provided or to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with each other Borrower, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.8), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.

(d) The Obligations of each Borrower under the provisions of this Section 2.8 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.8(d)) or any other circumstances whatsoever. Further, each Borrower waives each of the following, to the fullest extent permitted by applicable law, (1) any defense based upon (a) the lack of authority of any Borrower; (b) the unenforceability, invalidity, illegality or extinguishment of all or any part of the Obligations, or any security or other guarantee for the Obligations or any failure of the Agent or any Lender to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of the Collateral or any set-off of any Borrower's bank deposits against the Obligations; (c) any act or omission of any of the Borrowers or any other person, including the Agent, that directly or indirectly results in the discharge or release of any of the Borrowers or any other Person or any of the Obligations or any security for the Obligations other than payment in full in cash of the Obligations; or (d) the Agent's present or future method of dealing with any of the Borrowers or any Guarantor or any security (or any collateral subject to the security) or other guarantee for the Obligations, (2) any right (whether now or hereafter existing) to require the Agent or a Lender, as a condition to the enforcement of this Agreement (a) to accelerate the Obligations or proceed and exhaust any recourse against any of the Borrowers or any other Person; (b) to realize on any security that it holds; (c) to marshall the assets of any of the Borrowers or any of the Guarantors; or (d) to pursue any other remedy that each Borrower or Guarantor may not be able to pursue itself and that might limit or reduce such Borrower's or such Guarantor's burden, (3) presentment, demand, protest and notice of any kind including, without limitation, notices of default, (4) any claims, set-off or other rights that any Borrower or any Guarantor may have against the Agent or any of the Lenders, whether or not related to the transactions contemplated by this Agreement or any of the other Loan Documents, (5) all suretyship defenses and rights of every nature otherwise available under any jurisdiction, including the benefit of discussion and of division, and (6) all other rights and defenses (legal or equitable) the assertion or exercise of which would in any way diminish the liability of any of the Borrowers under this joint and several liability obligation or otherwise under this Agreement other than the payment in full in cash of the Obligations.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any

time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.8 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.8, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.8 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.8 shall not be diminished or rendered unenforceable by any bankruptcy, insolvency, winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of each other Borrower and the Guarantors and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of the other Borrower's and Guarantors' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.8 are made for the benefit of Agent, each member of the Lender Group, and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, or any of their successors or assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.8 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 2.8 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or Lenders with respect to any of

the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization, winding up, arrangement, or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(i) Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for Agent, and such Borrower shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.2(f).

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent to the Deemed Extension of Credit. The obligation of each Lender to make its deemed extension of credit provided for hereunder is subject to the fulfillment, to the satisfaction of each Lender and Agent of the conditions precedent set forth on Schedule 3.1.

3.2 Maturity. This Agreement shall continue in full force and effect for a term ending on December [ ], 2020 (the "Maturity Date"), provided that the Maturity Date shall be shortened, automatically, and without any action on the part of the Agent, Lenders or Loan Parties, to the date at any time that is three hundred and sixty five (365) days prior to the scheduled date of termination of the West Hartford Lease; provided further that if the West Hartford Lease is terminated in connection with a US Loan Party's purchase of the facility underlying the West Hartford Lease, the immediately preceding proviso shall be inapplicable and the Maturity Date shall remain December [ ], 2020. The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and upon notice by Agent to Administrative Borrower or any other Loan Party upon the occurrence and during the continuation of an Event of Default.

3.3 Effect of Maturity. On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and Borrowers shall be required to repay all of the Obligations (including the Applicable Prepayment Premium, if applicable) in full in cash. No termination of the obligations of the Lender Group (other than payment in full of the Obligations) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full. When all of the Obligations have been paid in full, Agent (upon the direction of the Required Lenders) will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent and Loan Parties shall execute and deliver to Agent a release of Agent and Lenders in form and substance satisfactory to Agent and the Required Lenders.

3.4 Early Termination by Borrowers. Borrowers have the option, at any time upon five (5) Business Days' prior written notice to Agent, to terminate this Agreement by repaying to Agent all of the Obligations in full in accordance with the provisions of Section 2 (which, for the avoidance of doubt, shall include any prepayment fees required by Section 2.6(c)).

3.5 Conditions Subsequent. The obligation of the Lender Group (or any member thereof) to continue to maintain the Term Loan (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.5 (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by the Required Lenders, which the Required Lenders may do without obtaining the consent of the other members of the Lender Group), shall constitute an immediate Event of Default).

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group which shall be true, correct and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and at each such other time as required by this Agreement or the other Loan Documents and shall be true, correct, and complete in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of delivery of each Compliance Certificate (or any other extension of credit) thereafter, as though made on and as of the date of such delivery (unless it expressly relates to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date (except to the extent already qualified by materiality, in which case each shall have been true and correct in all respects)), and such representations and warranties shall survive the execution and delivery of this Agreement.

4.1 Due Organization and Qualification; Subsidiaries.

(a) Each Loan Party (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any jurisdiction where the failure to be so qualified could reasonably be expected to result in a Material Adverse Change, (iii) has all requisite power and authority to own and operate its material properties, to carry on its material business as now conducted and as proposed to be conducted and (iv) has all requisite power and authority to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) are the authorized Equity Interests of each Loan Party and each direct Subsidiary of such Loan Party, by class, and a description of the number of shares of each such class that are issued and outstanding, in each case, as of the Closing Date. Other than as described on Schedule 4.1(b), there are no subscriptions, options, warrants, or calls relating to any shares of any Borrower's or Subsidiary's Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. There is no Subsidiary of Parent that is not a Loan Party.

(c) All of the outstanding Equity Interests of each Subsidiary of a Loan Party have been validly issued and are fully paid and, except with respect to the shares of Colt Canada, non-assessable.

(d) Neither Borrowers nor any of their Subsidiaries are subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of any Loan Party's Equity Interests or any security convertible into or exchangeable for any such Equity Interests.

4.2 Due Authorization; No Conflict.

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the Closing Date Transactions have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the Closing Date Transactions do not and will not (i) violate any provision of any material federal, provincial, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) violate any provisions of the Governing Documents of any Loan Party or its Subsidiaries, (iii) conflict with, result in a material breach of, or constitute (with due notice or lapse of time or both) a material default under any Material Contract of any Loan Party or its Subsidiaries, (iv) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (v) require any approval of any holders of Equity Interests of a Loan Party or, except as set forth on Schedule 4.2(b), any approval or consent of any Person under any Material Contract of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect.

4.3 Governmental Consents. Except as set forth on Schedule 4.3, the execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect and except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date.

4.4 Binding Obligations; Perfected Liens.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens are validly created Liens. Agent's Liens will be perfected, first priority Liens, subject as to priority only to the Permitted Liens that have priority by operation of law or unless otherwise permitted hereby, upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the Code or the PPSA, as applicable, the filing of the Uniform Commercial Code financing statement or PPSA financing statement, as applicable, naming such Borrower or Guarantor as "debtor" and Agent as "secured party" in the filing offices set forth opposite such Borrower's or such Guarantor's name on Schedule 4.4(b), (ii) with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, the execution of a Control Agreement, (iii) in the case of U.S. or Canadian copyrights, trademarks and patents to the extent that Uniform Commercial Code financing statements or PPSA financing

statements, as applicable, may be insufficient to establish the rights of a secured party as to certain parties, the recording of the appropriate filings in the United States Patent and Trademark Office, the United States Copyright Office and the Canadian Intellectual Property Office, as applicable, (iv) in the case of letter-of-credit rights that are not supporting obligations (as defined in the Code), the execution by the issuer or any nominated person of an agreement granting control to Agent over such letter-of-credit rights, and (v) in the case of electronic chattel paper, the completion of steps necessary to grant control to Agent over such electronic chattel paper.

4.5 Title to Assets; No Encumbrances. Each of the Loan Parties and its Subsidiaries has (a) good and marketable title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets or property necessary to conduct its business or used in the ordinary course of business. All of such assets are free and clear of Liens except for Permitted Liens.

4.6 Jurisdiction of Organization; Location of Chief Executive Office; Organizational Identification Number; Commercial Tort Claims; Locations of Inventory and Equipment.

(a) The name (within the meaning of the Code or PPSA, as applicable) and jurisdiction of organization of each Loan Party and each of its Subsidiaries is set forth on Schedule 4.6(a) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(b) The chief executive offices of each Loan Party and each of its Subsidiaries are located at the addresses indicated on Schedule 4.6(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(c) Each Loan Party's and each of its Subsidiaries' tax identification numbers and organizational identification numbers, if any, are identified on Schedule 4.6(c) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(d) As of the Closing Date, no Loan Party and no Subsidiary of a Loan Party holds any commercial tort claims that exceed $50,000 in any one case or $100,000 in the aggregate, except as set forth on Schedule 4.6(d).

(e) Each Loan Party's Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit, (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) is located only at the locations identified on Schedule 4.6(e).

4.7 Litigation.

(a) After giving effect to the Closing Date Transactions, there are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, after due inquiry, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(b) After giving effect to the Closing Date Transactions, Schedule 4.7(b) sets forth a complete and accurate description, with respect to each of the actions, suits, or proceedings with

asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, $50,000 that, as of the Closing Date, is pending or, to the knowledge of any Loan Party, after due inquiry, threatened against a Loan Party or any of its Subsidiaries, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties' and their Subsidiaries in connection with such actions, suits, or proceedings is covered by insurance.

4.8 Compliance with Laws. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable material laws, rules, regulations, executive orders, or codes in any material respect except as set forth on Schedule 4.8, (b) is subject to or in default in any material respect with respect to any material final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign or (c) is in violation of ITAR nor in default with respect to any ITAR related rules or regulations, in each case, in any material respect.

4.9 No Material Adverse Change. All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by any Loan Parties to the Lenders have been prepared in accordance with GAAP (except (x) in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments and (y) as such statements relate to the Bargaining Unit Defined Benefit Plan Calculation Error and present fairly in all material respects (except as such statements relate to the Bargaining Unit Defined Benefit Plan Calculation Error), the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since the date on which the Disclosure Statement was filed with the Bankruptcy Court, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change.

4.10 Solvency; Fraudulent Transfer.

(a) Based on reasonable assumptions and plans, after giving effect to the Closing Date Transactions, Parent and its Subsidiaries (taken as a whole) on a consolidated basis (after giving effect to any rights of contribution or subrogation) are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the Closing Date Transactions with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.11 Employee Benefits.

(a) Except as set forth on Schedule 4.11, no Loan Party, none of their Subsidiaries, nor any of their ERISA Affiliates maintains or contributes to any Pension Plan.

(b) Except as set forth on Schedule 4.11, (i) each Loan Party and each of the ERISA Affiliates has complied in all material respects with the terms of ERISA, the IRC and all other applicable laws regarding each Employee Benefit Plan, (ii) no material liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or ERISA Affiliate has been incurred or is reasonably expected by any Loan Party or ERISA Affiliate to be incurred with respect to any Pension Plan, (iii) no Loan Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any material liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed

or participated in any Specified Canadian Pension Plan, (iv) the Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and have been administered in accordance with the Income Tax Act (Canada) and such other applicable laws and no event has occurred which could reasonably be expected to cause the loss of such registered status, (v) all obligations of the Loan Parties and their Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Specified Canadian Pension Plans and the funding agreements therefor have been performed on a timely basis, and (vi) all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Specified Canadian Pension Plans have been made on a timely basis in accordance with the terms of such plans and all applicable laws.

(c) Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the IRC has received a favorable determination or opinion letter from the Internal Revenue Service or an application for such letter is currently being processed by the Internal Revenue Service. To the best knowledge of each Loan Party and the ERISA Affiliates after due inquiry, except as set forth on Schedule 4.11, nothing has occurred which would reasonably be expected to prevent, or cause the loss of, such qualification.

(d) Except as set forth on Schedule 4.11, no Notification Event which could reasonably be expected to result in any material liability to any Loan Party or ERISA Affiliate exists or has occurred in the past six (6) years.

4.12 Environmental Matters. Except as set forth on Schedule 4.12:

(a) The operation of the business of, and each of the properties owned or operated by, each Loan Party are in compliance with all Environmental Laws and each Loan Party holds and is in compliance with all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of its property under Environmental Law, and all such Environmental Permits are valid and in good standing, except where any such non-compliance with Environmental Law or failure to hold or comply with such Environmental Permits individually or in the aggregate could not reasonably be expected to result in a Material Adverse Change.

(b) Except as could not reasonably be expected to result in a Material Adverse Change (i) there is no Environmental Action pending or, to the knowledge of the Loan Parties, threatened against any Loan Party, or relating to any property currently or, to the knowledge of the Loan Parties, formerly owned, leased or operated by any Loan Party or its predecessor(s) in interest or relating to the operations of Loan Parties, and (ii) to the knowledge of Loan Parties, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Action.

(c) There has been no Release or threatened Release of Hazardous Materials and there are no Hazardous Materials present in violation of Environmental Law (i) on, at, under or from any properties currently, or to the knowledge of any Loan Party, formerly owned, leased, or operated by any Loan Party or any predecessor in interest, or (ii) at any disposal or treatment facility that received Hazardous Materials generated by any Loan Party or a predecessor in interest, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(d) No property now, or to the knowledge of any Loan Party, formerly owned or operated by a Loan Party has been used as treatment or disposal site for any Hazardous Material.

(e) No Environmental Lien has been recorded or, to the knowledge of any Loan Party, threatened under any Environmental Law with respect to any assets of the Loan Parties.

(f) No Environmental Law regulates, or requires notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup required by any Governmental Authority or pursuant to any other applicable Environmental Law of the Closing Date Transactions.

(g) No person with an indemnity or contribution obligation to the Loan Parties relating to compliance with or liability under Environmental Law is in default with respect to such obligation, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(h) No Loan Party is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Loan Party is conducting or financing any Response pursuant to any Environmental Law with respect to any property at any location, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(i) No property owned, operated or leased by the Loan Parties and, to the knowledge of the Loan Parties, no property formerly owned, operated or leased by the Loan Parties or any of their predecessors in interest is (i) listed or formally proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA, or (iii) included on any similar list maintained by any Governmental Authority including any such list relating to releases of petroleum.

(j) As of the Closing Date, the Loan Parties have made available to Lenders true and complete copies of all material records and files in the possession, custody or control of, or otherwise reasonably available to the Loan Parties, concerning the Loan Parties compliance with, or liability under, Environmental Laws, including those concerning the actual or suspected Release or threatened Release of Hazardous Materials at, on, under or from any property owned, operated, leased or used by the Loan Parties.

4.13 Intellectual Property. Except as set forth on the Perfection Certificate dated as of the Closing Date:

(a) Each Loan Party owns, licenses or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, without infringement upon, misappropriation of, dilution of, or conflict with the rights of any other Person or other Loan Party and attached hereto as Schedule 4.13(a) is a true, correct and complete list of all material registered trademarks, registered copyrights and issued patents (and pending applications therefor) included within Intellectual Property as to which any Loan Party is the owner; provided, that, any Borrower may amend Schedule 4.13 to add additional Intellectual Property so long as such amendment occurs by written notice to Agent not less than ten (10) days after the end of the fiscal quarter in which the applicable Loan Party or its Subsidiary acquires any such property and such Intellectual Property shall at such time be made subject to the Security Documents and owned by an IP Holdco.

(b) To the knowledge of the Loan Parties, no Loan Party nor any of its agents or representatives has engaged in any conduct, or omitted to perform any necessary act, the result of which would invalidate any material Intellectual Property of a Loan Party or hinder its enforcement. To the

knowledge of the Loan Parties, no other Person has infringed or is infringing upon any material Intellectual Property of a Loan Party. For the avoidance of doubt, all registered trademarks or service marks of a Loan Party shall be deemed material Intellectual Property.

(c) None of the Loan Parties' registered Intellectual Property that is material to the operation of a Loan Party's business is currently involved in any reexamination, reissue, interference, invalidity, opposition or cancellation proceeding before any patent office or patent authority, including the United States Patent and Trademark Office and the Canadian Intellectual Property Office, or any similar proceeding, and no such proceedings are pending.

(d) All of the Loan Parties' Intellectual Property identified in the Perfection Certificate is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the knowledge of the Loan Parties, is valid and enforceable.

(e) Other than Permitted Liens, all rights with respect to the Intellectual Property owned by each Loan Party are free of all Liens and are fully assignable by the Loan Parties to any Person, without payment, consent of any Person or other condition or restriction.

(f) (i) No claim has been asserted in writing and is pending by any Person challenging or questioning the use of any of the Loan Parties' Intellectual Property, or the validity or effectiveness of any such Intellectual Property, and (ii) no claim has been asserted in writing and is pending by any Person challenging or questioning the use of any material Intellectual Property owned by any of the Loan Parties, or the validity or effectiveness of any such material Intellectual Property. Each Loan Party has made or performed all filings, recordings and other acts and has paid all maintenance fees, annuities and any other required fees and taxes, as deemed necessary by such Loan Party in its reasonable business judgment, to maintain and protect its interest in all Intellectual Property owned by such Loan Party in full force and effect.

(g) To the knowledge of the Loan Parties, 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, misappropriates, dilutes or conflicts with, any rights owned by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Loan Parties, threatened.

(h) Each of the Loan Parties and its Subsidiaries have executed all documents necessary to transfer ownership as of the Closing Date of all right, title and interest of such Loan Party and its Subsidiaries in Intellectual Property worldwide to an IP Holdco.

4.14 Leases. Each Loan Party and its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default beyond any applicable cure period by the applicable Loan Party or its Subsidiaries exists under any of them.

4.15 Deposit Accounts and Securities Accounts. Set forth on Schedule 4.15 (as updated pursuant to the provisions of each of the Security Documents from time to time) is a listing of all of the Loan Parties' and their Subsidiaries' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (a) the name and address of such Person, and (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

4.16 Complete Disclosure. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry and historical information related to the Bargaining Unit Defined Benefit Plan Calculation Error provided prior to Closing Date) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to the Lenders on [ ], represent, and as of the date on which any other Projections are delivered to Agent, such additional Projections represent, Borrowers' good faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrowers to be reasonable at the time of the delivery thereof to the Lenders (it being understood that such Projections are subject to uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, that no assurances can be given that such Projections will be realized, and that actual results may differ in a material manner from such Projections).

4.17 Material Contracts. Except as set forth on Schedule 4.17, no Material Contract is in default in any material respect.

4.18 Patriot Act; etc. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001) (the "Patriot Act"), and (c) the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations promulgated thereunder. No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, 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.

4.19 Indebtedness. Set forth on Schedule 4.19 is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date but giving effect to the substantial consummation of the Confirmed Plan of Reorganization (other than unsecured Indebtedness with respect to any one transaction or a series of related transactions in an amount not to exceed $50,000, provided that all such unsecured Indebtedness, in the aggregate, shall not exceed $250,000) that is to remain outstanding immediately after giving effect to the closing hereunder on the Closing Date and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.20 Payment of Taxes. All tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, all such tax returns and reports were true, correct and complete as of the time of such filing and all Taxes shown on such tax returns to be due and payable and all governmental assessments, fees and other charges upon a Loan Party and its Subsidiaries

and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable, except (a) to the extent the validity of such Taxes shall be the subject of a Permitted Protest or (b) for failures which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change. No Loan Party knows of any proposed tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.21 Margin Stock. No Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Term Loan made to Borrowers will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors of the United States Federal Reserve.

4.22 Governmental Regulation. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, state or foreign statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.23 OFAC. No Loan Party nor any of its Subsidiaries is in violation of any trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

4.24 Employee and Labor Matters. Except as set forth on Schedule 4.24, there is (a) no unfair labor practice complaint pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against Parent or its Subsidiaries, (c) to the knowledge of Borrowers, after due inquiry, no union representation question existing with respect to the employees of Parent or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Parent or its Subsidiaries, or (d) any liability or obligation incurred by Parent or any of its Subsidiaries under the Worker Adjustment and Retraining Notification Act or similar state, Canadian or provincial law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of Parent or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. All payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

4.25 Senior Loan Documents. Borrowers have delivered to the Lenders true and correct copies of the Senior Loan Documents. The transactions contemplated by the Senior Loan Documents will be, contemporaneously with the Closing Date, consummated in accordance with their respective terms and all of the representations and warranties of Parent and its Subsidiaries in the Senior Loan Documents are true and correct in all material respects as of the Closing Date or, to the extent that any such representation or warranty relates solely to an earlier date, as of such earlier date.

4.26 Third Lien Loan Documents. Borrowers have delivered to the Lenders true and correct copies of the Third Lien Loan Documents. The transactions contemplated by the Third Lien Loan Documents will be, contemporaneously with the Closing Date, consummated in accordance with their respective terms and all of the representations and warranties of Parent and its Subsidiaries in the Third Lien Loan Documents are true and correct in all material respects as of the Closing Date or, to the extent that any such representation or warranty relates solely to an earlier date, as of such earlier date.

4.27 Fourth Lien Note Documents. Borrowers have delivered to the Lenders true and correct copies of the Fourth Lien Note Documents. The transactions contemplated by the Fourth Lien Note Documents will be, contemporaneously with the Closing Date, consummated in accordance with their respective terms and all of the representations and warranties of Parent and its Subsidiaries in the Fourth Lien Note Documents are true and correct in all material respects as of the Closing Date or, to the extent that any such representation or warranty relates solely to an earlier date, as of such earlier date.

4.28 Use of Proceeds. Borrowers will be deemed to have used the proceeds of the Term Loan deemed made hereunder on the Closing Date to refinance the Existing Credit Agreements. Borrowers will be deemed to have used the proceeds of the Senior Credit Agreement to refinance the Existing Senior DIP Loan Facility. Borrowers will use the proceeds of the Third Lien Facility Agreement to pay transaction fees, costs and expenses, including fees under the Agent Fee Letter and Lenders' Fee Letter, and otherwise in accordance with the Confirmed Plan of Reorganization.

4.29 Locations of Inventory and Equipment. The Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit, (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Disposition) of the Loan Parties and their Subsidiaries are not stored with a bailee, warehouseman, or similar party with whom the Agent or Lenders have a Collateral Access Agreement and are located only at, or in-transit between or to the locations identified on Schedule 4.6(e) (as such Schedule may be amended in accordance with Section 5.14).

4.30 Inventory Records. Each Loan Party keeps correct and accurate, in all material respects, records itemizing and describing the type, quality, and quantity of its and its Subsidiaries' Inventory and the book values thereof.

4.31 Common Enterprise. The Loan Parties make up a related organization of various entities constituting a single economic and business enterprise so that the Loan Parties share an identity of interests such that any benefit received by any one of them benefits the others. The Loan Parties render services to or for the benefit of certain of the other Loan Parties and purchase or sell and supply goods to or from or for the benefit of certain of the others. Certain of the Loan Parties have the same chief executive office, certain common officers and directors and generally do not provide consolidating financial statements to creditors. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful

performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Loan Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party (and the entering into of joint and several obligations and the giving of any guarantee or Lien to Agent for the benefit of the secured parties in connection therewith) is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and/or indirect benefit to such Loan Party, and is in its best interest.

4.32 Insurance. The Loan Parties keep their respective properties adequately insured and maintain (a) insurance to such extent and against such risks, including fire, as is customary with companies in the same or similar businesses, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance, which shall include product liability insurance, in the amount customary with companies in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (d) such other insurance as may be required by law (including, without limitation, against larceny, embezzlement or other criminal misappropriation). Schedule 4.32 sets forth a list of all insurance maintained by the Loan Parties on the Closing Date.

4.33 Centre of Main Interests and Establishments. Each Dutch Loan Party has its "centre of main interests" (as that term is used in Article 3(7) of the Council of the European Union Regulation No. 1346/2000 as Insolvency Proceeding (the "Regulation")) in its jurisdiction of incorporation. No Dutch Loan Party has an establishment (as that term is used in Article 2(h) of the Regulation) in any jurisdiction other than the Netherlands.

4.34 Tax Status. No notice under Section 36 of the Tax Collection Act (Invorderingswet 1990) has been given by any Dutch Loan Party.

4.35 Confirmation Order. The Approved Confirmation Order is in full force and effect and has not been vacated, reversed or rescinded or, without the prior written consent of the Agent and Required Lenders, in their sole discretion, amended or modified and no appeal or leave to appeal of such order has been timely filed or, if timely filed, no stay pending such appeal or leave to appeal is currently effective.

5. AFFIRMATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties shall and shall cause each of their Subsidiaries to comply with each of the following:

5.1 Financial Statements, Reports, Certificates. Loan Parties shall deliver to Agent, with copies to each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein. Parent agrees that it shall (i) not change its fiscal year and (ii) maintain a system of accounting that enables Parent to produce financial statements in accordance with GAAP.

5.2 Collateral Reporting. Provide Agent (and if so requested by Agent or the Required Lenders, with copies for each Lender) with each of the reports set forth on Schedule 5.2 at the times specified therein.

5.3 Existence. Except as otherwise permitted under Section 6.3, Section 6.4 or Section 6.5, at all times maintain and preserve in full force and effect (a) its existence, (b) all rights and franchises, licenses and permits related to any Intellectual Property that are necessary or otherwise material to the conduct of its business as currently conducted, unless otherwise consented to by the Required Lenders, and (c) all other rights and franchises, licenses and permits that are necessary or otherwise material to the conduct of the business of Parent and its Subsidiaries; provided, however, that no Loan Party or any of its Subsidiaries shall be required to preserve any such right or franchise, licenses or permits under clause (c) if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person.

5.4 Maintenance of Properties. Maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, except for ordinary wear, tear, and casualty and Permitted Dispositions.

5.5 Taxes. Cause all Taxes imposed, levied, or assessed against any Loan Party or its Subsidiaries, or any of their respective assets or in respect of any of its income, businesses, or franchises to be paid in full when due (taking into account any valid and effective extension for payment thereof), except (a) to the extent that the validity of such Tax shall be the subject of a Permitted Protest or (b) delinquent Taxes outstanding in an aggregate amount not to exceed $100,000 at any one time.

5.6 Insurance. Each Loan Party shall, at such Loan Party's expense, (a) maintain insurance respecting each Loan Party's assets wherever located, covering liabilities, losses or damages as are customarily insured against by other Persons engaged in same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies reasonably acceptable to the Required Lenders (it being agreed that, as of the Closing Date, the insurance companies identified on Schedule 4.32 are acceptable to the Required Lenders) and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to the Required Lenders (it being agreed that the amount, adequacy, and scope of the policies of insurance of the Loan Parties in effect as of the Closing Date are acceptable to the Required Lenders and it being further agreed and understood that with respect to insurance in respect of director and officer liability, the amount, adequacy and scope of the policies of such insurance shall be determined in the sole discretion of Parent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard noncontributory "lender" or "secured party" clause and are to contain such other provisions as Agent or the Required Lenders may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies (and any payments received by Agent shall be applied by Agent or otherwise returned to Borrowers in accordance with the provisions set forth in this Agreement). All certificates of property and general liability insurance are to be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements (other than directors and officers policies and workers compensation) in favor of Agent and shall provide for not less than thirty (30) days (ten (10) days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If any Loan Party fails to maintain such insurance, Agent (upon the direction of the Required Lenders) shall arrange for such insurance, but at such Loan Party's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrowers shall give Agent prompt notice of any loss exceeding $50,000 covered by any Loan Party's casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, Agent (upon the direction of the Required Lenders) shall have the sole right to file claims under any property and general liability insurance policies (and not under business interruption

policies) in respect of the Collateral (other than any Senior Priority Collateral), to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. The Loan Parties shall give prior written notice to the Required Lenders prior to any change (outside of the ordinary course consistent with past practice) to any insurance policy listed on Schedule 4.32 related to executive risk or directors and officers insurance (including any change to coverage, amount insured or deductible).

5.7 Inspection. Permit Agent and the Lenders and each of their duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to conduct appraisals and valuations, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees at such reasonable times (during normal business hours) and intervals as Agent (upon the direction of the Required Lenders) shall designate and, so long as no Default or Event of Default exists and is continuing, with reasonable prior notice to Administrative Borrower all at such times and intervals as Agent (upon the direction of the Required Lenders) shall request, all at Borrower's expense; provided that, as to such appraisals of Intellectual Property of the Loan Parties, unless an Event of Default exists or has occurred and is continuing, no more than one (1) appraisal of Intellectual Property in any twelve (12) month period shall be at the expense of Borrowers.

5.8 Compliance with Laws. (a) Except as set forth on Schedule 4.8, comply with the requirements of all applicable material laws, rules, regulations, and orders of any Governmental Authority in all material respects and (b) comply with the requirements of ITAR in all material respects.

5.9 Environmental.

(a) To the extent applicable, comply with all Environmental Laws applicable to the ownership, lease, or use of all property now or hereafter owned, leased or operated by the Loan Parties, including but not limited to all requirements pursuant to and within the timeframes set forth in Connecticut's Transfer Act (Conn. Gen. Stat. §22a-134, *et seq.*) as a result of any prior transactions and the Closing Date Transactions, including but not limited to retaining a Licensed Environmental Professional and completing all required filings, authorizations, approvals, notifications, site investigations, and remediation. The Loan Parties shall provide Agent with copies of all material documents filed with, and material responses from, the Connecticut Department of Environmental Protection, with respect to Connecticut's Transfer Act.

(b) Keep any property either owned, leased or operated by any Loan Party free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens.

(c) Comply, and use commercially reasonable efforts to cause all tenants and other Persons who may come upon any property owned, leased or operated by a Loan Party to comply, with all Environmental Laws in all material respects and provide to Agent documentation of such compliance which Agent reasonably requests.

(d) Maintain and comply in all material respects with all Environmental Permits required under applicable Environmental Laws.

(e) Except as have not had, and would not reasonably be expected to cause a Material Adverse Change, neither the Loan Parties nor any of their Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Loan Parties or any of their Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties, or transported to or from such Real Properties, in compliance with all applicable Environmental Laws.

(f) Undertake or cause to be undertaken any and all Remedial Actions in response to any Environmental Claim, Release of Hazardous Materials in violation of Environmental Law or other violation of Environmental Law, or as is otherwise ordered by any Governmental Authority, to the extent required by Environmental Law or any Governmental Authority and to repair or remedy any environmental condition or impairment to the Real Property and, upon request of Agent or the Required Lenders, provide Agent with copies of all data, information and reports generated in connection therewith as Agent or the Required Lenders may request.

(g) Promptly, but in any event within five (5) Business Days of its receipt thereof, (i) provide Agent with written notice of any of the following: (A) any Release of which any Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by any Loan Party; (B) written notice that an Environmental Lien has been filed against any of the real or personal property of any Loan Party, (C) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party, if such Loan Party reasonably estimates that liability will result in a Material Adverse Change; (D) material violation of Environmental Laws in, at, on, under or from any part of the Real Property or any improvements constructed thereon; and (E) discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Real Property that could reasonably be expected to cause such Real Property or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws; and (ii) provide such other documents and information as reasonably requested by Agent in relation to any matter pursuant to this Section 5.9(g).

(h) At the request of the Required Lenders or Agent (at the direction of the Required Lenders), upon the occurrence of any of the following: (i) after the receipt by Agent or any Lender of any notice of the type described in Section 5.9(g), (ii) at any time that any Loan Party or any of its Subsidiaries are not in compliance with Section 4.12 or Section 5.9, or (iii) at any time when an Event of Default has occurred and is continuing, the Loan Parties shall provide to Agent and the Lenders, within thirty (30) calendar days after such request, at the sole expense of the Loan Parties, a Phase I Report for any Real Property, prepared by an environmental consulting firm acceptable to the Required Lenders and, if recommended by the Phase I Report, a Phase II environmental site assessment report. Without limiting the generality of the foregoing, if the Required Lenders determine at any time that a risk exists that any requested Phase I or Phase II Report will not be provided within the time referred to above, Agent and/or the Required Lenders may retain an environmental consulting firm to prepare such reports at the sole expense of the Loan Parties, and the Loan Parties shall provide reasonable access to Agent and/or the Required Lenders, such firm and any agents or representatives to their respective properties to undertake such Phase I or Phase II environmental site assessment.

5.10 Formation of Subsidiaries. At any time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date, such Loan Party shall (a) upon such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) cause any such new Subsidiary to provide to Agent a Guaranty and a joinder to the applicable

Security Documents, together with such other security documents (including mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value of at least $200,000), as well as appropriate financing statements (and with respect to all property subject to a mortgage, fixture filings), all in form and substance reasonably satisfactory to the Required Lenders (including being sufficient to grant Agent a first priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary); provided, that, a Guaranty or a joinder to the applicable Security Documents, and such other security documents shall not be required to be provided to Agent if the costs to the Loan Parties of providing such Guaranty, executing any such Security Documents or perfecting the security interests created thereby are unreasonably excessive (as determined by the Required Lenders in consultation with Borrowers) in relation to the benefits of Agent and the Lenders of the security or guarantee afforded thereby, (b) within five (5) days of such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) provide to Agent a pledge agreement (or an addendum to the applicable Security Document) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary reasonably satisfactory to the Required Lenders; provided, that, no other pledge shall be required if the costs to the Loan Parties of providing such other pledge are unreasonably excessive (as determined by the Required Lenders in consultation with Borrowers) in relation to the benefits of Agent and Lenders of the security afforded thereby, and (c) within thirty (30) days of such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) provide to Agent all other documentation reasonably requested by Agent or the Required Lenders (including policies of title insurance or other documentation with respect to all Real Property owned in fee and subject to a mortgage).

5.11 Further Assurances. At any time upon the reasonable request of the Required Lenders, execute or deliver to Agent any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, mortgages, deeds of trust, opinions of counsel and all other documents (the "Additional Documents") that are required by applicable law, or that Agent or the Required Lenders may reasonably request, in form and substance reasonably satisfactory to Agent and the Required Lenders(i) to create, perfect, and maintain Agent's Liens in all of the assets of Parent and its Subsidiaries (other than Excluded Property but, for the avoidance of doubt, including ownership by an IP Holdco of any Intellectual Property of a Loan Party) (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), (ii) to create and perfect Liens in favor of Agent in any Real Property acquired by Parent or its Subsidiaries after the Closing Date with a fair market value in excess of $200,000 and (iii) in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. In furtherance and not in limitation of the foregoing, each Loan Party shall within sixty (60) days of the date of request by the Required Lenders (or such later date as agreed to in writing by the Required Lenders), deliver any and all executed filings and other documents required under the Federal Assignment of Claims Act of 1940 so requested and cause the filing thereof. To the maximum extent permitted by applicable law, if any Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, such Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name, as applicable, and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance and not in limitation of the foregoing, each Loan Party shall take such actions as Agent or the Required Lenders may reasonably request from time to time (a) in connection with any merger, amalgamation, consolidation, or reorganization permitted under Section 6.4, delivery to Agent of the agreements and documentation set forth in Section 5.2 and Section 5.10 above, or (b) to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of the Loan Parties (subject to exceptions and limitations contained in the Loan Documents).

5.12 Lender Meetings. Upon the request of the Agent but no more than once each month, hold a meeting (at a mutually agreeable location and time or, at the option of Agent, by conference call)

with all Lenders (and any financial advisor retained by the Agent or any Lender) who choose to attend such meeting at which meeting shall be reviewed, among other things, the financial results of Parent and the financial condition of Parent and its Subsidiaries and the progress of any business development (including Intellectual Property licensing) and marketing initiatives; provided, however, that following the occurrence of a Default or an Event of Default, such meetings shall be held as often as the Agent or the Required Lenders shall request.

5.13 Material Contracts. Upon the Lenders' request and in any event with the delivery of each Compliance Certificate pursuant to Section 5.1, provide Agent with copies of (a) each Material Contract entered into since the delivery of the previous Compliance Certificate, and (b) each material amendment or modification of any Material Contract entered into since the delivery of the previous Compliance Certificate.

5.14 Locations of Inventory and Equipment. Keep each Loan Party's Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit between locations specified on Schedule 4.6(e), (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $50,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) only at the locations identified on Schedule 4.6(e); provided, that, any Borrower may amend Schedule 4.6(e) so long as such amendment occurs by written notice to Agent not less than ten (10) days after the date on which such Inventory or Equipment is moved to such new location.

5.15 Compliance with ERISA and the IRC. In addition to and without limiting the generality of Section 5.8, (a) comply in all material respects with applicable provisions of ERISA and the IRC with respect to all Employee Benefit Plans, (b) not take any action or fail to take action the result of which could reasonably be expected to result in a Loan Party or ERISA Affiliate incurring a material liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (c) not participate in any prohibited transaction that could reasonably be expected to result in a material civil penalty, excise tax, fiduciary liability or correction obligation under ERISA or the IRC, and (d) furnish to Agent upon the Required Lenders' written request such additional information about any Employee Benefit Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any material liability. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in material liability to the Loan, the Loan Parties and the ERISA Affiliates shall (i) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (ii) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA. In addition to and without limiting the foregoing take all actions required under Schedule 5.15 in the manner and on the time frames set forth therein.

5.16 Canadian Employee Benefits.

(a) Cause the Canadian Pension Plans to be duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and cause such Canadian Pension Plans to be administered in accordance with the Income Tax Act (Canada) and such other applicable law and maintain such registered status.

(b) Cause each Loan Party and its Subsidiaries to perform its obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection

with the Canadian Pension Plans and cause the funding agreements therefor to be performed on a timely basis.

(c) Cause all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Canadian Pension Plans to be made or paid on a timely basis in accordance with the terms of such plans and all applicable laws.

5.17 IP Holdcos.

(a) Cause each Loan Party and its Subsidiaries to take all steps to make all governmental filings that are necessary to record or perfect transfer of all registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property worldwide of each Loan Party and its Subsidiaries to an IP Holdco, within 10 days of the Closing Date for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in the United States or Canada, or for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in countries outside of the United States or Canada, on a schedule to be agreed in writing between the Parties, provided that Agent may reasonably request such actions to take place on an accelerated schedule for one or more countries outside of the United States and Canada, such request not to be unreasonably denied or delayed by the Loan Parties.

(b) Deliver to Agent (a) a 100% pledge of the Equity Interests in such IP Holdco together with powers indorsed in blank, (b) a joinder to the Security Agreement signed by such IP Holdco and (c) any separate security agreement required by applicable laws or as may be requested by the Agent.

5.18 Assignment and Registration of Intellectual Property. Cause each Loan Party and its Subsidiaries to assign all rights of such Loan Party or Subsidiaries in Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party after the Closing Date to an IP Holdco within a reasonable time after creation, acquisition or application for registration provided any delay does not result in a material impairment of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, and for each such Intellectual Property that is material, to file and prosecute applications for copyright, trademark or patent registrations with the applicable governmental agencies worldwide, consistent with past practice, provided that a Loan Party or its Subsidiary may exercise reasonable discretion in choosing to protect one or more particular embodiments of such Intellectual Property as a trade secret instead of filing for patent protection after due inquiry and consultation with, and recommendation of, outside counsel.

6. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties will not and will not permit any of their Subsidiaries to do any of the following:

6.1 Indebtedness. Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 Liens. Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 Intellectual Property.

(a) Permit any Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party to be legally owned by, beneficially owned by (except to the extent rights are granted pursuant to license agreements permitted under Section 6.3(c) of this Agreement), or registered in the name of, any Person other than US IP Holdco or Canada IP Holdco, as applicable. For the avoidance of doubt, joint ownership of any Intellectual Property shall not be permitted, except for Intellectual Property that has been or may be jointly developed by a Loan Party (or its Subsidiaries) and a third party.

(b) Convey, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, assign, transfer, or otherwise dispose of) any Intellectual Property of any of the Loan Parties to any Person other than (i) either IP Holdco, but not both, or (ii) Permitted Dispositions.

(c) Grant any IP Licenses, except those IP Licenses (1) that are by and among any Loan Parties or their respective Affiliates on terms and conditions consistent with the Loan Documents, the Intercreditor Agreements, and not materially different from IP Licenses executed between the Loan Parties at Closing unless approved in writing by the Lender Group or Agent, such approval not to be unreasonably withheld or delayed, or (2) nonexclusive licenses to third parties for specified, non-perpetual periods of time on customary, market and otherwise reasonable and commercial terms, provided, that: (a) the Loan Parties shall not license (or allow the licensing or sublicensing of) any Intellectual Property to third parties in connection with firearm products (collectively, the "Prohibited IP Licenses") except (i) solely for the purpose of acting as a contract manufacturer for one or more of the Loan Parties, or (ii) solely for the marketing, sale, distribution and final assembly of firearms for which one or more of the Loan Parties manufactured (or had manufactured by a contract manufacturer) all or a substantial portion of the components of such firearms, except that IP Licenses that would otherwise be Prohibited IP Licenses that are (x) Existing IP Licenses shall not be deemed to be Prohibited IP Licenses and shall be listed as such on Schedule L-1 or (y) nonexclusive licenses related to SWORD Technology as defined in Schedule L-1, shall not be deemed to be Prohibited IP Licenses; (b) all IP License Proceeds shall be required to be in cash and be deposited in a Designated Account into which only IP License Proceeds may be deposited (the "IP Proceeds Account"); (c) each IP License shall be of reasonable duration and shall include reasonable and customary provisions typical for agreements of such kind and designed to ensure the ownership, validity, enforceability and preservation of the value of the intellectual property subject to such license; and (d) the aggregate value of IP Licenses entered into after the Closing Date shall not exceed $15,000,000 (with the determination of value of each IP License measured at the time entered into, renewed, amended, extended or otherwise changed, and with determinations of value being made in good faith by the board of directors of Parent; provided, that any determination of value in excess of $5,000,000 shall be made by a third party appraiser reasonably acceptable to the Required Lenders).

(d) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $7.0 million (it being understood that the Loan Parties shall not be obligated to fund the IP Proceeds Account with cash other than IP Proceeds).

6.4 Restrictions on Fundamental Changes.

(a) Enter into any merger, amalgamation, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests except for mergers, consolidations and amalgamations (i) between US Loan Parties, (ii) between Canadian Loan Parties, (iii) between a Dutch Loan Party and any other Loan Party and (iv) between Subsidiaries of Parent which are not Loan Parties, so long as the surviving entity is a Loan Party upon such merger, amalgamation or consolidation and is in compliance with the

obligations under Section 5.11. The Administrative Borrower shall deliver to the Agent documents confirming compliance with this Section 6.4(a) within five (5) Business Days of such merger, amalgamation, consolidation, reorganization, recapitalization or reclassification.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for the winding up, liquidation or dissolution of a Loan Party (other than Borrowers) or any of Borrowers' wholly-owned Subsidiaries (other than any IP Holdco) so long as all of the assets, other than up to $10,000 in cash in the case of the Dutch Loan Party, (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary have been transferred to a Loan Party (except in the case of a Dutch Loan Party, in the same jurisdiction as the liquidating or dissolving Loan Party) that is not liquidating or dissolving.

(c) Suspend or terminate all or a substantial portion of its or their business, except as permitted pursuant to clause (a) or (b) above or in connection with the transactions permitted pursuant to Section 6.5.

6.5 Disposal of Assets. Convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any assets or Equity Interests of Parent or its Subsidiaries, except for (i) Permitted Dispositions, (ii) transactions expressly permitted by Section 6.4 and (iii) with respect to Equity Interests of Parent only, transactions not constituting a Change of Control, not otherwise prohibited under this Agreement or that would not result in an adverse change to any of Agent's or a Lender's rights under the Loan Documents.

6.6 Change Name. Change the name, organizational identification number, jurisdiction of organization or organizational identity of any Loan Party; provided, that, any Loan Party may change its name so long as such Loan Party gives thirty (30) days prior written notice to Agent of such change.

6.7 Nature of Business. Make any change in the nature of its or their business as presently conducted on the Closing Date or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that, the foregoing shall not be construed to prohibit Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.8 Certain Payments of Debt and Amendments.

(a) Make any payment, prepayment, redemption, retirement, defeasance, purchase or sinking fund payment or other acquisition for value of any of its Indebtedness or make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Indebtedness as a result of any asset sale, change of control issuance and sale of debt and equity securities or similar event, or give notice with respect to any of the foregoing, other than the Indebtedness hereunder, under the other Loan Documents, and, subject to the Senior Intercreditor Agreement, under the Senior Loan Documents (including, without limitation, by way of depositing money or securities with the trustee therefor before the date required for the purpose of paying any portion of such Indebtedness when due), or otherwise set aside or deposit or invest any sums for such purpose, except that:

(i) Borrowers and Guarantors may make payments in respect of Indebtedness permitted under clause (b) (only with respect to letters of credit listed on Schedule 4.19, and extensions of maturity or replacements of such Indebtedness in the same principal amount) or (c) of the definition of Permitted Indebtedness;

(ii) all Loan Parties may make optional prepayments and redemptions of Indebtedness solely with the proceeds of the issuance and sale of Qualified Equity Interests of Parent that constitutes an Excluded Issuance (as described in clause (d) of the definition thereof); provided, that, as of the date of any such prepayment or redemption, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing;

(iii) Parent and its Subsidiaries may make optional prepayments of Permitted Intercompany Advances to the extent permitted by the Intercompany Subordination Agreement; provided, that, (x) so long as on and as of the date of any such prepayment, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing and (y) unless agreed to in writing by the Required Lenders, optional prepayments by a Loan Party of Permitted Intercompany Advances owing to a Specified Loan Party shall not exceed $500,000 in aggregate principal amount during the term of this Agreement; and

(iv) as to payments in respect of any other Permitted Indebtedness not subject to the provisions above in this Section 6.8, Borrowers and Guarantors may make payments of regularly scheduled principal and interest or other mandatory prepayments (but in no event any voluntary prepayment) as and when due in respect of such Indebtedness in accordance with the terms thereof as of the date of incurrence (and in the case of Indebtedness that has been contractually subordinated in right of payment to the Obligations or subject to an intercreditor agreement with Agent solely to the extent such payment is permitted at such time under the subordination and/or intercreditor terms and conditions set forth therein or applicable thereto); it being understood that no cash payments of any kind shall be made in respect of the Third Lien Facility Debt or the Fourth Lien Note Indenture before the Obligations hereunder are satisfied in full.

(b) Directly or indirectly, amend, modify, or change (or permit the amendment, modification or other change in any manner of) any of the terms or provisions of:

(i) any agreements, documents or instruments in respect of any subordinated Indebtedness or any other Indebtedness that is subject to an intercreditor agreement with Agent unless in accordance with the terms of such intercreditor agreement;

(ii) the certificate of incorporation, memorandum and articles of association, certificate of formation, limited liability agreement, limited partnership agreement or other organizational documents of any Loan Party, except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges of Agent or Lenders under any Loan Document, or otherwise adversely affect the interests of Agent or Lenders in any material respect, as determined by the Agent and Required Lenders; it being understood that any amendment, modification or other change providing for the conversion of any Equity Interest into debt, the issuance of any mandatory cash pay dividends or distributions or any mandatory redemption of any Equity Interest prior to the payment in full in cash of each of the Obligations, shall be deemed to materially adversely affect the interests of Agent and Lenders; and

(iii) the Management Agreements and any other agreement listed on Schedule 6.13 except with the prior written consent of the Required Lenders and except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges of Agent or Lenders, as determined by the Agent and Required Lenders.

(c) Pay any management fees other than those pursuant to the Management Agreements in form and substance acceptable to the Agent and Required Lenders (or as otherwise modified to the extent permitted by Section 6.8(b)(iii) and in an amount not exceeding $1,000,000 per year; provided, however, that (a) cash payments on account of such fees may commence no earlier than the third fiscal quarter of 2017 (and for the 2017 fiscal year, be limited to $500,000), (b) the aggregate amount of such fees otherwise payable in cash for the 2016 fiscal year and first six months of 2017 that have accrued, may be paid in cash in equal monthly installments of $62,500 commencing with the first month of the third fiscal quarter of 2017 until paid in full (or for so long as cash payments are permitted hereunder, whichever is earlier), (c) no cash payments shall be permitted at any time during the existence of any Default or Event of Default or if, *pro forma* for such payment, the Loan Parties would fail to be in compliance with any applicable financial covenants under this Agreement and (d) payments of such fees to any person also entitled to board fee payments shall be reduced by the amount of such board fee payments (it being understood that the foregoing limitation on payment of management fees shall not preclude payment by the Loan Parties of customary board fees of up to $50,000 for insider board members and such other customary amounts for non-insider independent board members and such amounts paid to non-insiders (to the extent not benefiting from payments under any Management Agreement) shall not reduce management fees otherwise permitted to be paid pursuant to this Section 6.8(c)).

6.9 Change of Control. Cause, permit, or suffer, directly or indirectly, any Change of Control.

6.10 Restricted Payments. Declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) Parent and each Subsidiary may declare and make dividend payments or other distributions payable in the Equity Interests of such Person (other than Disqualified Equity Interests) subject, as applicable, to the pledge requirements set forth in the applicable Security Agreement and so long as the payment thereof would not result in an Event of Default;

(b) any Subsidiary of Parent may pay or make distributions to Parent that are used to make substantially contemporaneous payments to, and Parent may make payments to, repurchase or redeem Equity Interests and options to purchase Equity Interests of Parent held by officers, non-insider directors or employees or former officers, non-insider directors or employees (or their transferees, estates or beneficiaries under their estates) of Parent pursuant to any management equity subscription agreement, employee agreement or stock option agreement or other agreement with such officer, director or employee or former officer, director or employee; provided, that, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate cash consideration paid for all such payments, repurchases or redemptions shall not in any fiscal year of Parent exceed $125,000;

(c) Parent may pay management fees to the extent permitted under Section 6.8;

(d) Parent may repurchase its Equity Interests to the extent such repurchase is deemed to occur upon (i) the non-cash exercise of stock options to the extent such Equity Interests represents a portion of the exercise price of such options and (ii) the non-cash withholding of a portion of such Equity Interests to pay taxes associated therewith, and the purchase of fractional shares of Equity Interests of Parent or any Subsidiary arising out of stock dividends, splits or combinations or business combinations;

(e) any Subsidiary of Parent may pay dividends or other distributions to a Loan Party (including, without limitation, distributions to a Loan Party upon the reduction of capital (by whatsoever name called, including paid in capital, paid up capital or stated capital) of such Subsidiary); and

(f) other Restricted Payments in an aggregate amount not to exceed $25,000 from the Closing Date.

6.11 Accounting Methods. Modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP or as permitted under Section 1.2).

6.12 Investments. Directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment, except for Permitted Investments.

6.13 Transactions with Affiliates. Directly or indirectly, enter into or permit to exist any transaction with any Affiliate (including, without limitation, any transaction or agreement to purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliates of Parent or any of its Subsidiaries), except for:

(a) any employment or compensation arrangement or agreement, employee benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into by Parent or any of its Subsidiaries in the ordinary course of business and payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of such Parent or such Subsidiary, provided, that, such transactions are not otherwise prohibited by this Agreement;

(b) transactions exclusively between the Loan Parties, provided, that, such transactions are not otherwise prohibited by this Agreement;

(c) transactions permitted under Section 6.4, 6.8, 6.10 or 6.15 hereof and transactions permitted under clause (q) of the definition of Permitted Indebtedness;

(d) any agreement as in effect as of the Closing Date and listed on Schedule 6.13, as each such agreement may be amended, modified, supplemented, extended or renewed from time to time with the prior written consent of the Required Lenders or (ii) in the case of any such agreement governing Indebtedness, pursuant to Section 6.8(b);

(e) the payment of reasonable and customary (i) fees and reasonable out-of-pocket expenses paid to directors and (ii) indemnities provided on behalf of, the directors of Parent or any Subsidiary;

(f) payments permitted under the Management Agreements in compliance with Section 6.8(c); and

(g) transactions with customers, clients, suppliers, joint venture partners (other than joint ventures with Permitted Holders or any of their Affiliates), or purchasers of, or sellers of goods or services to, a Loan Party, in each case, that are Affiliates of the Loan Parties; provided, that (i) any such transaction is made in the ordinary course of business of the Loan Parties and is

in compliance with the terms of this Agreement and (ii) any such transaction is on terms that are no less favorable to Parent or the relevant Subsidiary than those that could have been obtained at the time of such transactions in a comparable transaction by Parent or such Subsidiary with an unrelated person, as determined by the independent members of the Parent's Board of Directors.

6.14 Use of Proceeds. Use the proceeds of the Term Loan, the Senior Credit Agreement, the Third Lien Facility Agreement or the Fourth Lien Note Indenture for any purpose other than in accordance with the use of proceeds specified in Section 4.28.

6.15 Limitation on Issuance of Equity Interests. Except for (i) the issuance or sale of Qualified Equity Interests of Parent, (ii) the issuance and sale of equity interests of Parent on the Closing Date as contemplated by the Plan of Reorganization and (iii) the issuances or sales of Equity Interests by a Loan Party to another Loan Party, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

6.16 Specified Canadian Pension Plans. (i) Maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Specified Canadian Pension Plan, or (ii) acquire an interest in any Person if such Person sponsors, administers, contributes to, participates in or has any liability in respect of, any Specified Canadian Pension Plan, unless the obligation to pay any deficit under any such Specified Canadian Pension Plan would not have priority under applicable law over any Liens created by the Security Documents.

6.17 Sale Leaseback Transactions. Create, incur or suffer to exist, or permit any of its Subsidiaries to create, incur or suffer to exist, any obligations as lessee for the payment of rent for any real or personal property in connection with any sale and leaseback transaction.

6.18 Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of any Loan Party (a) to pay dividends or to make any other distribution on any shares of Equity Interests of such Subsidiary owned by any Loan Party or any of its Subsidiaries, except for those expressly contemplated by Schedule 6.18, (b) to pay or prepay or to subordinate any Indebtedness owed to any Loan Party or any of its Subsidiaries, (c) to make loans or advances to any Loan Party or any of its Subsidiaries or (d) to transfer any of its property or assets to any Loan Party or any of its Subsidiaries, or permit any of its Subsidiaries to do any of the foregoing; provided, however, that nothing in any of clauses (a) through (d) of this Section 6.18 shall prohibit or restrict compliance with:

(i) this Agreement, the other Loan Documents and the Other Loan Documents;

(ii) any applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances);

(iii) in the case of clause (d), customary restrictions on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset;

(iv) in the case of clause (d), any agreement, instrument or other document evidencing a Permitted Lien (or the Indebtedness secured thereby) with respect to customary restrictions that apply only to any property or assets subject thereto; or

(v) customary restrictions imposed by any agreement relating to any other Permitted Indebtedness; provided, however, that any such restrictions or conditions are no more restrictive in any material respect on the Loan Parties and their respective Subsidiaries than the terms of the Loan Documents as determined by the Required Lenders in their reasonable discretion.

6.19 Limitations on Negative Pledges. Enter into, incur or permit to exist, or permit any Subsidiary to enter into, incur or permit to exist, directly or indirectly, any agreement, instrument, deed, lease or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Loan Party or any Subsidiary of any Loan Party to create, incur or permit to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, or that requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents, (b) the Senior Credit Agreement and the other Senior Loan Documents, (c) the Third Lien Facility Agreement and the other Third Lien Loan Documents, (d) the Fourth Lien Note Indenture and the other Fourth Lien Note Documents, (e) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 6.1 of this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness (f) any customary restrictions and conditions contained in the agreements relating to the sale or other disposition of assets or of a Subsidiary pending such sale or other disposition; provided that such restrictions and conditions apply only to the assets or Subsidiary to be sold or disposed of and such sale or disposition is permitted hereunder and (g) customary provisions in leases restricting the assignment or sublet thereof.

6.20 Employee Benefits.

(a) Terminate, or permit any ERISA Affiliate to terminate, any Pension Plan in a manner, or take any other action with respect to any Pension Plan, which could reasonably be expected to result in any material liability of any Loan Party or ERISA Affiliate to the PBGC.

(b) Fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Pension Plan, agreement relating thereto or applicable law, any Loan Party or ERISA Affiliate is required to pay if such failure could reasonably be expected to result in a Material Adverse Change.

(c) Permit to occur, or allow any ERISA Affiliate to permit to occur, any failure to satisfy the minimum funding standards under Section 302 of ERISA or Section 412 of the IRC, whether or not waived, with respect to any Pension Plan which exceeds $1,000,000 with respect to all Pension Plans in the aggregate.

(d) Except as could not reasonably be expected to have a material liability, acquire, or permit any ERISA Affiliate to acquire, an interest in any Person that causes such Person to become an ERISA Affiliate with respect to a Loan Party or with respect to any ERISA Affiliate if such Person sponsors, maintains or contributes to, or at any time in the six (6) year period preceding such acquisition has sponsored, maintained, or contributed to, (i) any Pension Plan or (ii) any Multiemployer Plan.

(e) Amend, or permit any ERISA Affiliate to amend, a Pension Plan resulting in a material increase in current liability such that a Loan Party or ERISA Affiliate is required to provide security to such plan under the IRC.

6.21 Cash in Deposit Accounts.

(a) Permit any Cash to be held in any account other than a Deposit Account (or, to the extent permitted under the Security Documents, the Excluded Accounts (as defined in the Security Agreement or any Canadian Security Document, as applicable)) and, as applicable, a Designated Account, in each case, subject to a Control Agreement (or an alternative arrangement under the laws of the Netherlands to similar effect) in favor of the Agent.

(b) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $7,000,000. For the avoidance of doubt, the Loan Parties shall not fund the IP Proceeds Account with cash other than from IP License Proceeds and other Term Loan Priority Collateral.

6.22 Collateral Proceeds. Permit any Term Priority Collateral or any proceeds thereof to be held in any account other than a Designated Account.

6.23 Trade Payables. Permit the amount of accounts payable of the Loan Parties that (i) relate to purchases of materials used in the business conducted by the Loan Parties on the Closing Date and (ii) are more than twenty-five (25) days past due beyond the due date specified in the applicable invoice relating to such materials, to exceed 40% of the total amount of accounts payable of the Loan Parties that relate to purchases of such types of materials.

6.24 Disclosure re Lenders. Issue or make any press release or other publication, make any disclosure in any public filing, or disclose to any Person (other than any other Loan Party or their Affiliates) any document, terms or agreement, in each case, relating in any way to this Agreement or any other Loan Document, any amendment, waiver or modification thereof, any Lender, any other actual or potential transaction or agreement (relating to a restructuring of the Loan Parties or otherwise) with any Lender (or any proposal thereof), or any discussions with respect to any of the foregoing, in each case, except (x) with the prior written consent of Required Lenders or (y) as required by applicable law.

7. FINANCIAL COVENANTS.

Each Borrower covenants and agrees that, until payment in full of the Obligations:

7.1 Minimum Liquidity. The Liquidity of the Loan Parties shall be no less than $10,000,000 as of the last day of each calendar month and not less than $7,000,000 at any time; it being understood that amounts in the IP Proceeds Account may be included in such calculation.

7.2 Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio shall be at least 1:1 at the end of the last day of each fiscal quarter commencing for the fiscal quarter ending June 30, 2017, it being understood that, for purposes of determining compliance with the Fixed Charge Coverage Ratio for the fiscal quarters ending in 2017, the Borrowers shall have the option to compute the numerator and denominator thereof by reference either to the most recently ended twelve month period, or the most recently ended quarters in 2017, with such election to be specified in the applicable Compliance Certificate.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 If any of the Borrowers fails to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for two (2) Business Days, or (b) all or any portion of the principal of the Obligations or any Applicable Prepayment Premium;

8.2 If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.5, 5.1, 5.2, 5.3 (solely if any Borrower or any other Loan Party is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if any Borrower refuses to allow Agent or its representatives or agents to visit such Borrower's properties, inspect its assets or books or records, examine and make copies of its books and records, or discuss such Borrower's affairs, finances, and accounts with officers and employees of such Borrower), 5.8, 5.10, 5.11, 5.12, 5.15 or 5.17 of this Agreement; provided, that the Loan Parties' failure to deliver the financial statements, reports and other items described as items (a), (b), (c), (d), (e), (f) and (q) on Schedule 5.1 shall not be an Event of Default until such failure continues for a period of three (3) Business Days or (ii) Article VI of this Agreement; or

(b) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of five (5) days after the date on which such failure shall first occur;

8.3 If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $2,000,000, or more (except to the extent fully covered by cash escrowed to satisfy such judgment, order or award or (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of thirty (30) consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;

8.4 If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5 If an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within thirty (30) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein;

8.6 If a Loan Party or any of its Subsidiaries is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of the business affairs of Parent and its Subsidiaries, taken as a whole;

8.7 If there is (a) a default in respect of any of the Senior Loan Documents, the Third Lien Loan Documents, the Fourth Lien Note Documents or one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of $2,000,000 or more, and such default (i) occurs at the final maturity of the obligations thereunder, or (ii) could result in a right by such third Person, irrespective of whether exercised and without regard to any limitations included in any intercreditor agreement, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, (b) a default in respect of one or more Material Contracts or (c) a default in respect of or an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party;

8.8 If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.9 If the obligation of any Guarantor under the applicable Guaranty ceases to be in full force and effect;

8.10 If any Security Document or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted expressly herein or in the Senior Intercreditor Agreement, first priority Lien on substantially all of the Loan Parties' assets (with exclusions only to the extent expressly set forth herein or in the Security Documents) except as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement;

8.11 (a) The occurrence of any damage to, or loss, theft or destruction of, any Collateral having an aggregate book value in excess of $500,000 (exclusive of any damage to Collateral covered by insurance pursuant to which the insurer has not denied coverage) if (i) the proceeds of such insurance are not received by the Loan Parties within ninety (90) days of such occurrence and (ii) such Collateral is not repaired and/or replaced within one-hundred and twenty (120) days of such occurrence or (b) any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than fifteen (15) consecutive days, the cessation or substantial curtailment of material revenue producing activities of the Loan Parties, taken as a whole;

8.12 The loss, suspension or revocation of, or failure to renew, any material license or permit now held or hereafter acquired by any Loan Parties;

8.13 (a) The indictment (or an indictment threatened in writing) of any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal capacity) under any criminal statute, or (b) commencement of, or commencement threatened in writing of, criminal or civil proceedings against any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal capacity), solely to the extent that pursuant to such indictment, statute or proceedings, the penalties or remedies sought or available in connection

therewith include forfeiture to any Governmental Authority of any material portion of the property of the Loan Parties, taken as a whole;

8.14 The validity or enforceability of any Loan Document or the Obligations shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by any Person (including a Governmental Authority), seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document;

8.15 If any Loan Party ceases to have the right to use, or the Loan Parties are not in possession and control of, any Specified Government Property;

8.16 (a) The occurrence of an event or condition which could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, which could reasonably be expected to result in liability in excess of $2,500,000; (b) the imposition of any liability in excess of $2,500,000 under Title I or Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of its ERISA Affiliates, (c) the occurrence of a nonexempt prohibited transaction under Section 406 or 407 of ERISA for which any Loan Party may be directly or indirectly liable and which is reasonably expected to result in a liability to any Loan Party in excess of $1,000,000, (d) receipt from the Internal Revenue Service of notice of the failure of any Employee Benefit Plan to qualify under Section 401(a) of the IRC, or the failure of any trust forming part of any Employee Plan to fail to qualify for exemption from taxation under Section 501(a) of the IRC or (e) the imposition of any lien on any of the rights, properties or assets of any Loan Party or any of its ERISA Affiliates, in either case pursuant to Title IV of ERISA, and which lien secures a liability in excess of $1,000,000; provided that any of the foregoing (other than with respect to clauses (a) and (c)) that occurs in connection with a Bargaining Unit Defined Benefit Plan Calculation Error Event shall not constitute a Default or Event of Default hereunder or under any of the other Loan Documents;

8.17 An event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change with respect to the Loan Parties and their Subsidiaries;

8.18 A Dutch Loan Party gives notice under Section 36(2) of the 1990 Tax Collection Act (*Invorderingswet 1990*); or

8.19 A Change of Control shall occur.

Notwithstanding the foregoing, in the event that an Event of Default has occurred as a result solely of the Loan Parties' failure to comply with any of the covenants set forth in Section 7.1 or Section 7.2 of this Agreement, Borrowers shall have the right (the "Cure Right") from the last day of an applicable test period until the expiration of the fifth (5^{th}) day subsequent to the date the applicable reports or financial statements are required to be delivered to Agent with respect thereto, to issue Qualified Equity Interests for cash, borrow all or a portion of the Additional Permitted Holder Amount, incur Indebtedness under clause (p) of the definition of Permitted Indebtedness or otherwise receive cash contributions from the Permitted Holders or any of their Affiliates in an aggregate amount equal to, but not greater than, the amount necessary to cure the relevant financial covenant (the "Cure Amount"), and upon the receipt by Borrowers of the Cure Amount thereof, the financial covenant shall then be recalculated giving effect to the following pro forma adjustments: (A) in the case of an Event of Default as a result of the failure to comply with the applicable Fixed Charge Coverage Ratio, (a) Consolidated EBITDA shall be increased

for the applicable fiscal quarter and for the subsequent three (3) consecutive Fiscal Quarters, solely for the purpose of the measuring the financial covenant in Section 7.2 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount and (b) if, after giving effect to the foregoing recalculations, Borrowers shall then be in compliance with the requirements of Section 7.2, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of the determination with the same effect as though there had been no failure to comply therewith at such date, and any Default or Event of Default in respect of such breach of Section 7.2 that has occurred shall be deemed not to have occurred for the purpose of this Agreement; and (B) in the case of the requirement of Section 7.1, (a) the amount of Liquidity shall be increased for the applicable calendar month by an amount equal to the Cure Amount and such Cure Amount may not be used for the purpose of curing any other Event of Default at such time, or for any purpose under this Agreement, but shall be considered as Unrestricted Cash under this Agreement to the extent meeting the requirements included in such definition, and (b) if, after giving effect to the forgoing recalculations, Borrowers shall then be in compliance with the requirement of Section 7.1, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of determination with the same effect as if they had been in compliance as at that date. In the event that (i) no Default or Event of Default exists other than one arising due to failure of the Borrowers to comply with the financial covenants set forth in Section 7 and (ii) Borrowers shall have delivered to Agent an irrevocable written notice to exercise the Cure Right (which notice shall be delivered no earlier than fifteen (15) days prior to, and no later than the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1) (a "Cure Notice"), which exercise if fully consummated would be sufficient in accordance with the terms hereof to cause Borrowers to be in compliance with the financial covenants as of the relevant date of determination, then following receipt by Agent of any such Cure Notice and until the date that is the fifth (5^{th}) day subsequent to the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1, neither Agent nor any Lender shall exercise any remedies set forth in Section 9 hereof during such period solely as a result of the existence of such Defaults or Events of Default. Notwithstanding anything herein to the contrary, (i) in no event shall Borrowers be permitted to exercise the Cure Right hereunder more than three (3) times in the aggregate during period from January 1, 2017 to the Maturity Date, (ii) in each consecutive four (4) quarter period, there shall be as least two (2) fiscal quarters in which Borrowers do not exercise the Cure Right (provided that such limitation shall not apply until July 1, 2017), (iii) to the extent the Cure Amount is used to prepay the Term Loan, for the purposes of calculating Indebtedness during the fiscal quarter for which a Cure Amount is used, Indebtedness of the Loan Parties shall be calculated as if the Cure Amount was not applied to reduce the Term Loan and (iv) in the event that Borrowers fail to timely deliver a Cure Notice, fail to receive the Cure Amount or any other Default or Event of Default shall occur (including failure to timely deliver any financial statements and other reports pursuant to Section 5.1), the funding of the Cure Amount alone shall not result in a deemed waiver or cure of any such other Default or Event of Default.

9. RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default, Agent, upon the written instruction of the Required Lenders, shall (in each case under clause (a) by written notice to Administrative Borrower), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) declare the Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower; and

(b) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents or applicable law.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to any Borrower or any other Person or any act by the Lender Group, and the Obligations, inclusive of all accrued and unpaid interest thereon, the Applicable Prepayment Premium and all fees and all other amounts owing under this Agreement or under any of the other Loan Documents, shall automatically and immediately become due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice of any kind, all of which are expressly waived by each Loan Party.

Without limiting the generality of the foregoing, it is understood and agreed that if the Obligations are accelerated or otherwise become due prior to the Maturity Date, in respect of any Event of Default (including, but not limited to, upon the occurrence of a an Insolvency Proceeding (including the acceleration of claims by operation of law)), the Applicable Prepayment Premium will also be due and payable and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof, and such premiums shall be presumed to be the liquidated damages sustained by each Lender as a result of the early prepayment and the Borrowers agree that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable in the event the Term Loan (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 EXPRESSLY WAIVE (TO THE FULLEST EXTENT OF APPLICABLE LAW) THE PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUMS IN CONNECTION WITH ANY SUCH ACCELERATION. The Borrowers expressly agree (to the fullest extent of applicable law) that: (A) the Applicable Prepayment Premium are reasonable and the product of an arms' length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between the Lenders and the Borrowers giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Borrowers shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrowers expressly acknowledge that its agreement to pay the Applicable Prepayment Premium as herein described is a material inducement to the Lenders to make the Term Loans.

9.2 Remedies Cumulative. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.3 Appointment of a Receiver. Upon the occurrence and during the continuance of an Event of Default, Agent (upon the written direction of the Required Lenders) shall seek the appointment of a receiver, interim receiver, manager or receiver and manager (a "Receiver") under the laws of Canada or any province thereof to take possession of all or any portion of the Collateral of any Loan Party or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a Receiver without the requirement of prior notice or a hearing. Any such Receiver shall, to the extent permitted by law, so far as concerns responsibility for his/her acts, be deemed to be an agent of such Loan Party and

not Agent and the Lenders, and Agent and the Lenders shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any such Receiver, or his/her servants or employees, absent the gross negligence, willful misconduct or bad faith of the Agent or the Lenders as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral of any Loan Party, to preserve Collateral of such Loan Party or its value, to carry on or concur in carrying on all or any part of the business of such Loan Party and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral of such Loan Party. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including a Loan Party, enter upon, use and occupy all premises owned or occupied by a Loan Party wherein Collateral of such Loan Party may be situated, maintain Collateral of a Loan Party upon such premises, borrow money on a secured or unsecured basis and use Collateral of a Loan Party directly in carrying on such Loan Party's business or as security for loans or advances to enable the Receiver to carry on such Loan Party's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent (upon the direction of the Required Lenders), all money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Agent. Every such Receiver may, in the discretion of the Required Lenders, be vested with all or any of the rights and powers of Agent and the Lenders. Agent (upon the direction of the Required Lenders) shall, either directly or through its nominees, exercise any or all powers and rights given to a Receiver by virtue of the foregoing provisions of this paragraph.

9.4 Code and Other Remedies.

(a) Code Remedies. During the continuance of an Event of Default, the Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement (including, without limitation, Section 9.1) and in any other instrument or agreement securing, evidencing or relating to any Obligation, all rights and remedies of a secured party under the Code or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, the Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Loan Party or any other Person notice or opportunity for a hearing on the Agent's claim or action, (ii) collect, receive, appropriate and realize upon any Collateral, (iii) Sell, grant option or options to purchase and deliver any Collateral (enter into contractual obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, (iv) withdraw all cash and Cash Equivalents in any Deposit Account or Securities Account of a Loan Party and apply such cash and Cash Equivalents and other cash, if any, then held by it as Collateral in satisfaction of the Obligations, and (v) give notice and take sole possession and control of all amounts on deposit in or credited to any Deposit Account or Securities Account pursuant to the related Control Agreement. The Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the Code and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold (and, in lieu of actual payment of the purchase price, may "credit bid" or otherwise set off the amount of such price against the Obligations), free of any right or equity of redemption of any Loan Party, which right or equity is hereby waived and released.

(c) Management of the Collateral. Each Loan Party further agrees, that, during the continuance of any Event of Default, (i) at the Agent's request, it shall assemble the Collateral and make it available to the Agent at places that the Agent shall reasonably select, whether at such Loan Party's premises or elsewhere, (ii) without limiting the foregoing, the Agent also has the right to require that each Loan Party store and keep any Collateral pending further action by the Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until the Agent is able to Sell any Collateral, the Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Agent and (iv) the Agent may, if it so elects, seek the appointment of a receiver or keeper to take possession of any Collateral and to enforce any of the Agent's remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Agent shall not have any obligation to any Loan Party to maintain or preserve the rights of any Loan Party as against third parties with respect to any Collateral while such Collateral is in the possession of the Agent.

(d) Direct Obligation. Neither the Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Loan Party, any other Loan Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of the Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Loan Party absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Agent or any Lender, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(e) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on the Agent to exercise remedies in a commercially reasonable manner, each Loan Party acknowledges and agrees that it is not commercially unreasonable for the Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by the Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to Sell or for the collection or Sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature or to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring any such

Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature or, to the extent deemed appropriate by the Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of any Collateral or to provide to the Agent a guaranteed return from the collection or disposition of any Collateral.

(f) Each Loan Party acknowledges that the purpose of this Section 9.4 is to provide a non- exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 9.4. Without limitation upon the foregoing, nothing contained in this Section 9.4 shall be construed to grant any rights to any Loan Party or to impose any duties on the Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 9.4. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.5 Accounts and Payments in Respect of General Intangibles.

(a) In addition to, and not in substitution for, any other provision in this Agreement, if required by the Agent at any time during the continuance of an Event of Default, on and after the date on which at least one Deposit Account or Securities Account has been established, any payment of accounts or payment in respect of general intangibles, when collected by any Loan Party, shall be promptly (and, in any event, within 2 Business Days) deposited by such Loan Party in the exact form received, duly indorsed by such Loan Party to the Agent, in such account, subject to withdrawal by the Agent as provided in Section 9.5. Until so turned over, such payment shall be held by such Loan Party in trust for the Agent, segregated from other funds of such Loan Party. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Loan Party shall, upon the Agent's request, deliver to the Agent all original and other documents evidencing, and relating to, the contractual obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invokes and shipping receipts and notify account debtors that the accounts or general intangibles have

been collaterally assigned to the Agent and that payments in respect thereof shall be made directly to the Agent;

(ii) the Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Loan Party to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to the Agent's reasonable satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, the Agent may at any lime enforce such Loan Party's rights against such account debtors and obligors of general intangibles; and

(iii) each Loan Party shall take all actions, deliver all documents and provide all information necessary or reasonably requested by the Agent to ensure any Internet domain name is registered.

(c) Anything herein to the contrary notwithstanding, each Loan Party shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Loan Party under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

9.6 Proceeds to be Turned over to and Held by Agent. Unless otherwise expressly provided in this Agreement, upon the occurrence and during the continuance of an Event of Default, all proceeds of any Collateral received by any Loan Party hereunder in cash or Cash Equivalents shall be held by such Loan Party in trust for the Agent and the other Secured Parties, segregated from other funds of such Loan Party, and shall, promptly upon receipt by any Loan Party, be turned over to the Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by the Agent in cash or Cash Equivalents shall be held by the Agent in a Deposit Account or Securities Account. All proceeds being held by the Agent in a Deposit Account or Securities Account (or by such Loan Party in trust for the Agent) shall continue to be held as collateral security for the Obligations and shall not constitute payment thereof until applied as provided in this Agreement.

9.7 Registration Rights.

(a) Each Loan Party recognizes that the Agent may be unable to effect a public sale of any pledged Collateral by reason of certain prohibitions contained in the Securities Act, and applicable state or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Loan Party acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable

manner. The Agent shall be under no obligation to delay a sale of any pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act, or under applicable state or foreign securities laws even if such issuer would agree to do so.

(b) Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the pledged Collateral pursuant to this Section 9.7, valid and binding and in compliance with all applicable Requirements of Law provided that no Loan Party shall have any obligation to publicly register any securities. Each Loan Party further agrees that a breach of any covenant contained in this Section 9.7 will cause irreparable injury to the Agent and other Secured Parties, that the Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.7 shall be specifically enforceable against such Loan Party, and such Loan Party hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under this Agreement.

9.8 Deficiency. Each Loan Party shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorney employed by the Agent or any other Secured Party to collect such deficiency.

10. WAIVERS; INDEMNIFICATION.

10.1 Demand; Protest; etc. Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which such Borrower may in any way be liable.

10.2 The Lender Group's Liability for Collateral. Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code and the PPSA, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers, other than any such loss or damage resulting from the gross negligence, willful misconduct or bad faith of the Agent or any member of the Lender Group, as finally determined by a court of competent jurisdiction.

10.3 Indemnification. Borrowers shall pay, indemnify, defend, and hold the Agent-Related Persons and the Lender-Related Persons (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys (limited to one U.S. counsel to Agent-Related Persons and one U.S. counsel to Lender-Related Persons, one Canadian counsel to Agent-Related Persons and one Canadian counsel to Lender-Related Persons, one Dutch counsel to Agent-Related Persons and one Dutch counsel to Lender-Related Persons and any local or regulatory counsel to Agent-Related Persons and Lender-Related Persons reasonably selected by Agent, one additional counsel for the Lenders (taken as a whole) if an Event of Default has occurred and is continuing and, if the interests of any Agent-Related Person or Lender-Related Person are distinctly and disproportionately affected, one additional counsel for such affected Person), experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (promptly upon demand of Agent but in any event not later

than five (5) days of demand therefor by Agent irrespective of (1) the provisions of Section 17.10 hereof and (2) whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Parent's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, however, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders or (ii) disputes solely between or among the Lenders and their respective Affiliates; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders) relative to disputes between or among Agent (in its capacity as such) on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand), (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with, arising out of, or related to any Environmental Liabilities, Environmental Action or Remedial Action, as well as any actual or alleged presence or Release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Parent or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"); provided, that, no Borrower shall be obligated to indemnify any Indemnified Person under this Section 10.3 for any Taxes (except Taxes that represent claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, disbursements, etc., arising solely from any non-Tax claim), which shall be governed solely by Section 16. The foregoing to the contrary notwithstanding, no Borrower shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction finally determines to have resulted from the gross negligence, willful misconduct or bad faith of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Borrower was required to indemnify the Indemnified Person receiving such payment, the Indemnified Person making such payment is entitled to be indemnified and reimbursed by Borrowers with respect thereto. To the fullest extent permitted by Requirements of Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnified Person, 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.

11. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or facsimile. In the case of notices or demands to Loan Parties or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to Loan Parties: Colt Defense LLC
547 New Park Avenue
West Hartford, CT 06110

Attn: John Coghlin
Fax No. (860) 244-1442
Phone: (860) 232-4489
Email: jcoghlin@colt.com

with copies to: O'Melveny & Myers LLP
7 Times Square
New York, NY 10036
Attn: Sung Pak, Esq.
Fax No.: (212) 326-2061

If to Agent: Wilmington Savings Fund Society, FSB
500 Delaware Avenue, 11th Floor
Wilmington, Delaware 19801
Attn: Kristin Moore
Fax No.: (302) 421-9137
Phone: (302) 573-3239
Email: kmoore@wsfsbank.com

with copies to: Pryor Cashman LLP
7 Times Square
New York, New York 10036
Attn: Eric M. Hellige, Esq.
Fax No.: (212) 798-6380
Phone: (212) 326-0846
Email: ehellige@pryorcashman.com

If to a Lender: to the address of such Lender specified on Schedule C-1

with copies to (which shall not constitute notice):
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attn: Leonard Klingbaum
Fax No. (212) 728-9290
Phone: (212) 728-8290
Email: lklingbaum@willkie.com

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile 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) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an

acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES.**

(b) **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE OF NEW YORK AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(B).**

(c) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH 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.**

(d) **SUBJECT TO THE LAST SENTENCE OF THIS SECTION 12(D) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. 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 OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT 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.

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 Assignments and Participations.

(a) Any Lender may at any time assign to one or more other Lenders or other entities (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of the Obligations at the time owing to it), provided, that, any such assignment shall be subject to the following conditions:

(i) The aggregate amount of the principal outstanding balance of the Obligations of the assigning Lender subject to such assignment shall be not less than $1,000,000, unless the Required Lenders otherwise consent, except that such minimum amount shall not apply to (A) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender or a Related Fund or (B) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000 or (C) in the case of an assignment of the entire remaining amount of the assigning Lender's Obligations at the time owing to it;

(ii) 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;

(iii) The consent of the Agent shall be required for any assignment, other than any assignment to a Lender, an Affiliate of a Lender or a Related Fund;

(iv) The parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance (substantially in the form of Exhibit A-1), together with a processing fee of $3,500, provided, that Agent may, in its discretion, elect to reduce or waive such processing fee in the case of any assignment (and shall waive such fee if the assignment is from a Lender to an Affiliate of a Lender), and the assignee, if it is not a Lender, shall deliver to the Agent an administrative questionnaire in a form satisfactory to Agent;

(v) No such assignment shall be made to (A) a Loan Party or an Affiliate of any Loan Party, (B) any Defaulting Lender or any of its Subsidiaries or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or one of its Subsidiaries, (C) a natural Person or (D) any Disqualified Lender;

(vi) Borrowers and Agent may continue to deal solely and directly with a Lender in connection with the interest so assigned to an Assignee until (A) written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Administrative Borrower and Agent by such Lender and the Assignee, (B) such Lender and its Assignee have delivered to Administrative Borrower and Agent an Assignment and Acceptance and Agent has notified the assigning Lender of its receipt thereof in accordance with this Section 13.1(a) and the satisfaction of the other conditions herein.

(b) From and after the date that Agent has recorded the assignment in the Register and Agent notifies the assigning Lender (with a copy to Administrative Borrower) that it has received an executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents and the Participant receiving the participating interest in the Obligations, and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the

other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such Participant through such Lender, and (v) all amounts payable (other than with respect to Section 16) by Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Loan Parties, the Collections of Loan Parties, the Collateral, or otherwise in respect of the Obligations. For the avoidance of doubt, a Participant shall be entitled to the benefits of Section 16 (subject to the requirements and limitations therein, including the requirements under Section 16.2 and the provisions of Section 14.2) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 13.1. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Term Loan (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"). A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered

notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the registered note, if any, evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register in the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that no Borrower may assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and notice thereof to Agent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and no consent or approval by any Borrower is required in connection with any such assignment.

14. AMENDMENTS; WAIVERS.

14.1 Amendments and Waivers.

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document, and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto, and then any 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 waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Commitment of any Lender,

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan

Document (except (y) in connection with the waiver of applicability of Section 2.6(c) (which waiver shall be effective with the written consent of the Required Lenders), and (z) that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (iii)),

(iv) amend, modify, or eliminate this Section or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 15.11,

(vi) release Agent's Lien in and to any of the Collateral, except as permitted by Section 15.11,

(vii) amend, modify, or eliminate the definition of "Required Lenders" or "Pro Rata Share,"

(viii) contractually subordinate any of Agent's Liens, except as permitted by Section 15.11,

(ix) release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents, except in connection with a merger, wind up, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents,

(x) amend, modify, or eliminate any of the provisions of Section 2.2(b)(i) or (ii) or Section 2.2(f),

(xi) amend, modify, or eliminate the definition of Term Loan Amount, or

(xii) amend, modify, or eliminate any of the provisions of Section 13.1(a) to permit a Loan Party or an Affiliate of a Loan Party to be permitted to become an Assignee.

(b) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive (i) any of the terms or provisions of Section 2.6, without the written consent of the Required Lenders and Borrowers, and (ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers and the Required Lenders. Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the consent of Loan Parties and Lenders shall not be required for the exercise by Agent of any of its rights under this Agreement in accordance with the terms of this Agreement.

(c) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of any Loan Party, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(ii) and Section 14.1(a)(iii).

14.2 Replacement of Certain Lenders.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16 and such Lender has declined to designate a different lending office, then Borrowers or Agent, upon at least five (5) Business Days' prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Holdout Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Holdout Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Holdout Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Holdout Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including all interest, fees and other amounts that may be due in payable in respect thereof and its existing rights to payment pursuant to Section 16). If the Holdout Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Holdout Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Holdout Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Holdout Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations and the other rights and obligations of the Holdout Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Holdout Lender or Tax Lender, as applicable, shall remain obligated to make the Holdout Lender's or Tax Lender's, as applicable, Pro Rata Share of Term Loan.

14.3 No Waivers; Cumulative Remedies. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by each Loan Party of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. AGENT; THE LENDER GROUP.

15.1 Appointment and Authorization of Agent. Each Lender hereby designates and appoints WSFS as its agent under this Agreement, the other Loan Documents and the Intercreditor Agreements and each Lender hereby irrevocably authorizes Agent to execute and deliver each of the other Loan Documents and the Intercreditor Agreements on its behalf and to take such other action on its behalf under the provisions of this Agreement and each other Loan Document and each Intercreditor Agreement and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement or any other Loan Document or any of the Intercreditor Agreements, together with such

powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) exclusively receive, apply, and distribute the Collections of Parent and its Subsidiaries as provided in the Loan Documents, (d) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes with respect to the Collateral and the Collections of Parent and its Subsidiaries, (e) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, or otherwise related to any of same as provided in the Loan Documents, and (f) incur and pay such Lender Group Expenses as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents. The provisions of Section 15 (other than as provided in Section 15.9 and Section 15.11(a)) are solely for the benefit of the Agent and the Lenders and no Loan Party shall have any rights as a third-party beneficiary of any of the provisions hereof (other than as provided in Section 15.9 and Section 15.11(a)). In performing its functions and duties hereunder, the Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with any Loan Party.

15.2 Delegation of Duties. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct. . Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct. 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 Affiliates. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 15 shall apply to any such sub-agent and to any of the Affiliates of Agent and any such sub-agents, and shall apply to their respective activities as if such sub-agent and Affiliates were named herein in connection with the transactions contemplated hereby and by the Loan Documents.

15.3 Liability of Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, or for any failure of Parent or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries. Notwithstanding the terms and provisions of the Intercreditor Agreements or any reference to the Intercreditor Agreements or the Other Loan Documents herein, none of the Agent-Related Persons shall be liable for any action taken or omitted to be taken by any of them under any of the Intercreditor Agreements or under this Agreement relating to any of the Intercreditor Agreements or any of the Other Loan Documents unless directed in writing by the Required Lenders to take or to omit to take any such action, which direction shall, in the case of a payment required to be made to the Senior Agent, Third Lien Facility Agent or Fourth Lien Trustee, as the case may be, specify the amount of such payment.

15.4 Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or any electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take or refraining from taking any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

15.5 Notice of Default or Event of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or any Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, however, that unless and until Agent has received any such request, Agent may

(but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6 Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Parent and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into this Agreement and to extend credit to Borrowers. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis to provide such Lender with any credit or other information with respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

15.7 Costs and Expenses; Indemnification. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the Collections of Parent and its Subsidiaries received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by Parent or its Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable share thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so) from and against any and all Indemnified Liabilities; provided, that, no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make an extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out-of-pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery,

administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section shall survive the payment of all Obligations hereunder, the termination of this Agreement and the resignation or replacement of Agent.

15.8 Agent in Individual Capacity. Agent and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Agent were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, Agent or its Affiliates may receive information regarding Borrowers or their Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrowers or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" may include Agent in its individual capacity.

15.9 Successor Agent. Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and Administrative Borrower (unless such notice is waived by Administrative Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Administrative Borrower (such consent not to be unreasonably withheld, delayed, or conditioned), appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with Administrative Borrower and with the consent of the Required Lenders, a successor Agent. In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. If no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall perform all of the duties of Agent hereunder until such time, if any, as the Lenders appoint a successor Agent as provided for above.

15.10 Lender in Individual Capacity. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such

confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11 Collateral Matters; Credit Bidding

(a) Subject to Section 15.11(b), the Lenders hereby irrevocably authorize Agent, upon the written direction of the Required Lenders, to release, or subordinate, any Lien on any of the Collateral (i) upon payment and satisfaction of all of the Obligations, or (ii) constituting property being sold or disposed of if Administrative Borrower or any Loan Party certifies to Agent and the Required Lenders that the sale or disposition is made in compliance with Section 6.4 (and Agent and the Required Lenders may rely conclusively on any such certificate, without further inquiry), or (iii) constituting property in which any Loan Party did not own an interest at the time the security interest, mortgage or lien was granted or at any time thereafter, or (iv) having a value in the aggregate in any twelve (12) month period of less than $2,500,000, and to the extent Agent (at the direction of the Required Lenders) may release its Lien on any such Collateral pursuant to the sale or other disposition thereof, such sale or other disposition shall be deemed consented to by the Lenders, or (v) if required or permitted under the terms of any of the other Loan Documents, including any intercreditor agreement, or (vi) constituting property leased to a Loan Party under a lease that has expired or is terminated, or (vii) subject to Section 14.1, the Canadian Security Documents and the other Security Documents, if the release is approved, authorized or ratified in writing by the Required Lenders. Upon request by Agent or Borrower at any time, the Lenders will confirm in writing Agent's authority to release or subordinate any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that, (1) Agent shall not be required to execute any document necessary to evidence such release or subordination on terms that, in Agent's opinion, would expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release or subordination shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released or subordinated) upon (or obligations of Borrower in respect of) all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. The Lenders further hereby irrevocably authorize Agent, upon the direction of the Required Lenders, to subordinate any Lien granted to or held by Agent under any Loan Document to the holder of any Permitted Lien on such property if such Permitted Lien secures Permitted Purchase Money Indebtedness.

(b) The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the written instruction of the Required Lenders, to (A) consent to, credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code or other bankruptcy laws, including under Section 363 of the Bankruptcy Code, (B) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code or the PPSA, including pursuant to Sections 9-610 or 9-620 of the Code, or (C) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any other sale or foreclosure conducted by Agent (whether by judicial action or otherwise) in accordance with applicable law. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such claims cannot be estimated without unduly delaying the ability of Agent to credit bid, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the asset or assets purchased by means of

such credit bid) and the Lenders whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the asset or assets so purchased (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such purchase), and (ii) the Agent, based upon the instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such acquisition vehicle or vehicles and in connection therewith the Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration.

(c) Agent shall have no obligation whatsoever to any of the Lenders to assure that the Collateral exists or is owned by a Loan Party or is cared for, protected, or insured or has been encumbered, or that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion, regardless of whether Agent shall obtain its own interest in the Collateral in its capacity as one of the Lenders, and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise provided herein.

(d) In no event shall the Agent be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Notwithstanding any provision of this Agreement, the Agent shall not have any duties or responsibilities except those expressly set forth herein and the permissive provisions with respect to the Agent set forth herein shall not be deemed to be duties. Notwithstanding anything to the contrary contained herein, the Agent shall have no responsibility for the preparing, recording, filing, re-recording, or re-filing of any financing statement, continuation statement or other instrument in any public office. In no event shall the Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

15.12 Restrictions on Actions by Lenders; Sharing of Payments.

(a) Each of the Lenders agrees that it shall not, without the express written consent of the Required Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of the Required Lenders, set off against the Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Required Lenders, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, however, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

15.13 Agency for Perfection. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code or in accordance with the PPSA or the Securities Transfer Act of any applicable jurisdictions in Canada can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent and the Required Lenders thereof, and, promptly upon Agent's request (upon the direction of the Required Lenders) therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

15.14 Payments by Agent to the Lenders. All payments to be made by Agent to the Lenders shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with, or promptly following each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15 Concerning the Collateral and Related Loan Documents. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement and the other Loan Documents and the Intercreditor Agreements. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

15.16 Collateral Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information.

(a) By becoming a party to this Agreement, each Lender:

(i) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each collateral report respecting Parent or its Subsidiaries (each, a "Report") delivered in accordance with Section 5.2, and Agent shall so furnish each Lender with such Reports,

(ii) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(iii) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any audit or examination will inspect only specific information regarding Parent and its Subsidiaries and will rely significantly upon Parent's and its Subsidiaries' books and records, as well as on representations of each Borrower's personnel,

(iv) agrees to keep all Reports and other material, non-public information regarding Parent and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(v) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Agent and any such other 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.

(b) In addition to the foregoing: (i) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by Parent or any Subsidiary of Parent to Agent that has not been contemporaneously provided by Parent or its Subsidiaries to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender, (ii) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Parent or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of such Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Parent or its Subsidiaries, Agent promptly shall provide a copy of same to such Lender and (iii) any time that Agent renders to any Borrower a statement regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

15.17 Agent May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, Agent (irrespective of whether the principal of any Obligations shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrowers) shall be entitled and empowered, upon the direction of the Required Lenders, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Obligations 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 Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Agent and their respective agents and counsel and all other amounts due Lenders and Agent allowed in such judicial proceeding; and

(ii) 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, interim receiver, receiver and manager, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to Agent and, in the event that Agent and the Required Lenders shall consent to the making of such payments directly to Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent.

(b) Nothing contained herein shall be deemed to authorize 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 Agent to vote in respect of the claim of any Lender in any such proceeding.

15.18 Several Obligations; No Liability. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder, shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis in accordance with such Lender's percentage of the Term Loan outstanding. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to Borrower or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for such Lender or on its behalf, nor to take any other action on behalf of such Lender hereunder or in connection with the financing contemplated herein.

15.19 Appointment for the Province of Québec. Without prejudice to Section 15.1 above, each member of the Lender Group hereby appoints Agent as the *hypothecary representative* of the Lender Group as contemplated under Article 2692 of the Civil Code of Québec, to enter into, to take and to hold on their behalf, and for their benefit, any deed of hypothec ("Deed of Hypothec") to be executed by any of the Borrowers or Guarantors granting a hypothec pursuant to the laws of the Province of Québec (Canada) as security for the payment and performance of, *inter alia*, the Obligations and to exercise such powers and duties which are conferred thereupon under such deed. In this respect, each of the members of the Lender Group will be entitled to the benefits of any property or assets charged under the Deed of Hypothec and will participate in the proceeds of realization of any such property or assets. Agent, in such aforesaid capacity shall (A) upon the direction of the Required Lenders have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to Agent with respect to the property or assets charged under the Deed of Hypothec, any other applicable law or otherwise, and (B) benefit from and be subject to all provisions hereof with respect to the Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the powers, immunities, the liabilities (and exclusions therefrom) or responsibilities to and indemnifications by the Lender Group, the Borrowers or the Guarantors. The execution prior to the date

hereof by Agent of any Deed of Hypothec or other security documents made pursuant to the laws of the Province of Québec (Canada) is hereby ratified and confirmed. The constitution of Agent as the hypothecary representative shall be deemed to have been ratified and confirmed by each Person accepting an assignment of, a participation in or an arrangement in respect of, all or any portion of any of the Lender Group's rights and obligations under this Agreement by the execution of an assignment, including an Assignment and Acceptance Agreement or other agreement pursuant to which it becomes such assignee or participant, and by each successor Agent by the execution of an assignment agreement or other agreement, or by the compliance with other formalities, as the case may be, pursuant to which it becomes a successor Agent hereunder.

15.20 Dutch Parallel Debts.

(a) In this clause:

"Dutch Parallel Debt" means any amount which a Loan Party owes to the Agent under this Clause.

"Underlying Debt" means at any given time, each Obligation (whether present or future, actual or contingent) owing by a Loan Party to a Finance Party under the Loan Documents (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Loan Document, in each case whether or not anticipated as of the date of this Agreement, for the avoidance of doubt, excluding that Loan Party's Dutch Parallel Debt.

(b) Each Loan Party irrevocably and unconditionally undertakes to pay to the Agent amounts equal to, and in the currency or currencies of, its Underlying Debt.

(c) The Dutch Parallel Debt of each Loan Party: (i) shall become due and payable at the same time as its Underlying Debt and (b)is independent and separate from, and without prejudice to, its Underlying Debt.

(d) For purposes of this Clause, the Agent: (a) is the independent and separate creditor of each Dutch Parallel Debt, (b) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Dutch Parallel Debt shall not be held on trust, and (c) shall have the independent and separate right to demand payment of each Dutch Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(e) The Dutch Parallel Debt of a Loan Party shall be (a) decreased to the extent that its Underlying Debt has been irrevocably and unconditionally paid or discharged, and (b) increased to the extent to that its Underlying Debt has increased, and the Underlying Debt of a Loan Party shall be (x) decreased to the extent that its Dutch Parallel Debt has been irrevocably and unconditionally paid or discharged, and (y) increased to the extent that its Dutch Parallel Debt has increased, in each case provided that the Dutch Parallel Debt of a Loan Party shall never exceed its Underlying Debt.

(f) All amounts received or recovered by the Agent in connection with this Clause, to the extent permitted by applicable law, shall be applied in accordance with Section 5 (Application of Proceeds) of the Intercreditor Agreement.

This Clause applies for the purpose of determining the secured obligations in the Security Documents governed by Dutch law.

16. WITHHOLDING TAXES.

16.1 No Setoff; Payments.

(a) All payments made by any Loan Party under any Loan Document will be made without setoff, counterclaim or other defense. In addition, all such payments will be made free and clear of, and without deduction or withholding for, any present or future Taxes unless deduction or withholding of any Taxes is required under applicable law. If any deduction or withholding of any Tax is required by law, the applicable withholding agent shall make such deduction or withholding and shall timely pay to the relevant Governmental Authority such amounts in accordance with applicable law. To the extent such Tax is an Indemnified Tax, the applicable Loan Party shall pay such additional amounts as may be necessary so that, after such required deduction or withholding of Indemnified Tax (including any Indemnified Tax on the additional amounts payable under this Section 16.1), the amount payable to the affected Agent or Lender (as applicable) by any Loan Party is equal to same amount that would have been so payable had no such deduction or withholding of Indemnified Tax been required under applicable law.

(b) The Loan Parties shall indemnify each Agent or Lender (as applicable), within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes on the additional amounts payable under this Section 16) payable or paid by such Agent or Lender or required to be withheld or deducted from a payment to such Agent or Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Administrative Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(c) Administrative Borrower will furnish to Agent as promptly as possible after payment by any Loan Party of any Tax in respect of any payment made by any Loan Party under any Loan Document is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by Loan Parties or other evidence reasonably satisfactory to the Required Lenders.

(d) The Loan Parties agree to pay any present or future stamp, value added or documentary Taxes, intangible, recording or any other similar property Taxes that arise from any payment made hereunder or from the execution, delivery, performance, recordation, or filing of, or otherwise with respect to this Agreement or any other Loan Document.

16.2 Exemptions.

(a) If a Lender is entitled to claim an exemption or reduction from U.S. withholding tax, such Lender agrees with and in favor of Agent, to deliver to Administrative Borrower and Agent one of the following before receiving its first payment under the Loan Documents:

(i) In the case of a Lender claiming an exemption from U.S. withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender, substantially in the form of Exhibit D-1, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of any Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation related to any Borrower

within the meaning of Section 864(d)(4) of the IRC (a "U.S. Tax Compliance Certificate"), and (B) an original, properly completed and executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E;

(ii) in the case of a Lender claiming an exemption from, or reduction of, U.S. federal withholding tax under a U.S. tax treaty, a properly completed and executed copy of IRS Form W-8BEN or IRS Form W-8BEN-E;

(iii) an original, properly completed and executed copy of IRS Form W-8ECI;

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

(v) executed copies of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, U.S. withholding or backup withholding tax; or

(vi) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Administrative Borrower or Agent as may be necessary for Administrative Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under Section 1471 through 1474 of the IRC or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (vi), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) Each Lender shall provide new forms (or successor forms) upon the expiration, invalidity or obsolescence of any previously delivered forms and shall promptly notify Administrative Borrower and Agent in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender is entitled to claim an exemption from, or reduction of, withholding or backup withholding tax in a jurisdiction other than the United States, such Lender agrees with and in favor of Agent and Administrative Borrower to deliver to Administrative Borrower and Agent at the times reasonably requested by Agent or Administrative Borrower such forms or other information reasonably requested by Administrative Borrower or Agent as will permit exemption from, or reduction of, withholding or backup withholding tax, but only if such Lender or such Participant (i) is legally eligible to deliver such forms and (ii) in such Lender's reasonable judgment delivery of such forms or other information does not subject such Lender to any material unreimbursed cost or expense or does not materially prejudice the legal or commercial position of such Lender. Each Lender shall provide new forms (or successor forms) or information upon the expiration, invalidity or obsolescence of any

previously delivered forms or information and to promptly notify Administrative Borrower and Agent in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

16.3 Lender Indemnification. Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so in accordance with Section 16.1), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(i) relating to the maintenance of a Participant Register and (iii) any non-Indemnified Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 16.3.

16.4 Refunds.

If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrowers (but only to the extent of payments made, or additional amounts paid, by any Loan Party under this Section 16 with respect to Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such a refund); provided, that the Loan Parties, upon the request of Agent or such Lender, agree to repay the amount paid over to the Loan Parties (plus any penalties, interest or other charges, imposed by the relevant Governmental Authority in respect thereof) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 16.4, in no event will Agent or a Lender be required to pay any amount to the Loan Parties pursuant to this Section 16.4 the payment of which would place Agent or such Lender in a less favorable net after-tax position than Agent or such Lender would have been in if the tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such tax had never been paid. This Section 16.4 shall not be construed to require Agent or any Lender to make available its tax returns (or any other confidential information which it in good faith deems confidential) to any Borrower or any other Person.

16.5 Survival. Each party's obligations under this Section 16 shall survive the resignation or replacement of the Agent of any assignment of rights by, or replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all Obligations.

17. GENERAL PROVISIONS.

17.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by each Loan Party, Agent, and each Lender whose signature is provided for on the signature pages hereof.

17.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 Right of Setoff. If an Event of Default shall have occurred and be continuing, any Lender and any Affiliate of any Lender is hereby authorized at any time and from time to time, 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) at any time held and other obligations at any time owing by such Lender or Affiliate of a Lender to or for the credit or the account of any Loan Party against any of and all the Obligations held by such Lender or Affiliate of a Lender, irrespective of whether or not such Lender or Affiliate of a Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender or Affiliate of a Lender shall notify the Borrower and the Agent of such set-off or application; provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section. The rights of each Lender or Affiliate of a Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender or Affiliate of a Lender may have.

17.6 Debtor-Creditor Relationship. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or any electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or any electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

17.8 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should for any reason subsequently be asserted, or declared, to be void or voidable under any state or federal law relating to creditors' rights, including provisions of the Bankruptcy Code (or under any bankruptcy or

insolvency laws of Canada, including the BIA, the CCAA and the Winding-Up Act) relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (each, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys' fees of the Lender Group related thereto, the liability of Borrowers or Guarantors automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

17.9 Confidentiality.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that non-public information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group, provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under clause (iii) or (iv), the disclosing party agrees to provide Administrative Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Administrative Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under clause (iii) or (iv) shall be limited to the portion of the Confidential Information as may be required by such regulatory authority, statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process, provided, that, (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Administrative Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement, provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information hereunder subject to the terms of this Section, (ix) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any of their respective Affiliates, or their respective counsel) under this clause (ix) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, and (x) in connection with, and to the extent

reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document.

(b) Anything in this Agreement to the contrary notwithstanding, Agent (upon the direction of the Required Lenders) may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or for its marketing materials, with such information to consist of deal terms and other information customarily found in such publications or marketing materials and may otherwise use the name, logos, and other insignia of Borrowers and the Loan Parties and the Commitments provided hereunder in any "tombstone," press releases, or other advertisements, on its website or in other marketing materials of Agent.

17.10 Lender Group Expenses. Borrowers agree to pay any and all Lender Group Expenses promptly upon demand therefor by Agent or the Lenders. Borrowers agree that their respective obligations contained in this Section 17.10 shall survive payment or satisfaction in full of all other Obligations and the termination of this Agreement.

17.11 Survival. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any loan or any fee or any other amount payable under this Agreement is outstanding. All indemnity obligations of the Loan Parties in the Loan Documents shall survive the repayment in full of the Obligations and the termination of the Loan Documents.

17.12 Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrowers that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of such Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct (a) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and (b) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and each Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of such Borrower.

17.13 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

17.14 Administrative Borrower as Agent for Borrowers.

(a) Each Borrower hereby irrevocably appoints and constitutes Colt US ("Administrative Borrower") as its agent and attorney-in-fact to request and receive Term Loans pursuant to this Agreement and the other Loan Documents from Agent or any Lender in the name or on behalf of

such Borrower. Agent and Lenders may disburse the Term Loans to such bank account of Administrative Borrower or a Borrower or otherwise make such Term Loans to a Borrower as Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. Notwithstanding anything to the contrary contained herein, Agent (upon the direction of the Required Lenders) may at any time and from time to time require that Term Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) Administrative Borrower hereby accepts the appointment by Borrowers to act as the agent and attorney-in-fact of Borrowers pursuant to this Section 17.14. Administrative Borrower shall ensure that the disbursement of any Loans to each Borrower requested by or paid to or for the account of Colt US shall be paid to or for the account of such Borrower.

(c) Each Borrower and Guarantor hereby irrevocably appoints and constitutes Administrative Borrower as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(d) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower or any Guarantor by Administrative Borrower shall be deemed for all purposes to have been made by such Borrower or Guarantor, as the case may be, and shall be binding upon and enforceable against such Borrower or Guarantor to the same extent as if made directly by such Borrower or Guarantor.

(e) No resignation or termination of the appointment of Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to Agent. If the Administrative Borrower resigns under this Agreement, Borrowers shall be entitled to appoint a successor Administrative Borrower (which shall be a Borrower) by written notice to Agent. Upon delivery to Agent of the written acceptance of its appointment as successor Administrative Borrower hereunder, such successor Administrative Borrower shall succeed to all the rights, powers and duties of the retiring Administrative Borrower and the term "Administrative Borrower" shall mean such successor Administrative Borrower and the retiring or terminated Administrative Borrower's appointment, powers and duties as Administrative Borrower shall be terminated.

17.15 Currency Indemnity. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any of the other Loan Documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any of the other Loan Documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the exchange rate at which Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the rate of exchange rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Agent of the amount due, Borrowers will, on the date of receipt by Agent, pay such additional amounts, if any, as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by Agent is the amount then due under this Agreement or such other of the Loan Documents in the Currency Due. If the amount of the Currency Due which Agent is able to purchase is less than the amount of the Currency Due originally due to it, Borrowers and Guarantors shall indemnify and save Agent harmless from and against loss or damage arising as a result of such deficiency. If the amount of the Judgment Currency which Agent is able to purchase is greater than the amount of the Judgment Currency original due it, Agent agrees, so long as no Event of Default has occurred and is continuing, to

return the amount of any excess to Borrowers (or to any other Person who may be entitled thereto under applicable law). The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any of the other Loan Documents or under any judgment or order.

17.16 Anti-Money Laundering Legislation.

(a) Each Loan Party acknowledges that, pursuant to the Proceeds of Crime Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, "AML Legislation"), Agent and Lenders may be required to obtain, verify and record information regarding each Loan Party, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Administrative Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assign or participant of a Lender or Agent, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(c) Notwithstanding the provisions of this Section and except as may otherwise be agreed in writing, each Lender agrees that Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Loan Parties or any such authorized signatory in doing so.

17.17 Quebec Interpretation. For all purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) "personal property" shall include "movable property," (b) "real property" shall include "immovable property," (c) "tangible property" shall include "corporeal property," (d) "intangible property" shall include "incorporeal property," (e) "security interest," "mortgage" and "lien" shall include a "hypothec," "prior claim" and a "resolutory clause," (f) all references to filing, registering or recording under the Code or PPSA shall include publication under the Civil Code of Quebec, (g) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" lien or security interest as against third parties, (h) any "right of offset," "right of setoff" or similar expression shall include a "right of compensation," (i) "goods" shall include corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary," (k) "construction liens"

shall include "legal hypothecs," (l) "joint and several" shall include solidary, (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault," (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary," (o) "easement" shall include "servitude," (p) "priority" shall include "prior claim," (q) "survey" shall include "certificate of location and plan," and (r) "fee simple title" shall include "absolute ownership".

17.18 Most Favored Nations. In the event that the obligations under the Senior Loan Documents are refinanced (in whole or in party) at any time, subject to any additional limitations in the Senior Intercreditor Agreement, and such refinanced obligations (x) have a yield or (y) reporting or information that are more favorable (as determined by the Lenders) to the lenders thereunder as compared to the terms, provisions or economics under this Agreement or any other Loan Document, then any such more favorable provisions shall automatically be incorporated into this Agreement or such other Loan Document. Each Loan Party agrees to execute, acknowledge and deliver any and all documents, certificates, instruments or agreements as the Agent or any Lender may reasonably request from time to time in order to incorporate such provisions.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

COLT DEFENSE LLC, as a Borrower

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT SECURITY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT FINANCE CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

NEW COLT HOLDING CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT DEFENSE TECHNICAL SERVICES LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

CDH II HOLDCO INC., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING IP HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA CORPORATION, as a Borrower

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA IP HOLDING COMPANY, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT INTERNATIONAL COÖPERATIEF U.A., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

WILMINGTON SAVINGS FUND SOCIETY, FSB,
as Agent

By: _____
Name: Kristin L. Moore
Title: Vice President

MORGAN STANLEY SENIOR FUNDING, INC.,
as a Lender

By: _____
Name: John Ragusa
Title: Authorized Signatory

Schedule 1.1

As used in the Agreement, the following terms shall have the following definitions:

"Account" means an account (as that term is defined in the Code).

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Additional Documents" has the meaning specified thereto in Section 5.11 of this Agreement.

"Additional Permitted Holder Amount" has the meaning specified therefor in the recitals.

"Administrative Borrower" has the meaning specified thereto in Section 17.14(a) of this Agreement.

"Affected Lender" has the meaning specified thereto in Section 2.7(b) of this Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests of such Person, by contract, or otherwise; provided, however, that, for purposes of Section 6.13 of this Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests of such Person having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each current and former (within the five-year period prior to the Closing Date) officer and/or director (or comparable manager) of a Loan Party or of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of a Loan Party, shall be deemed to be an Affiliate of such Loan Party, (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person and (d) any Person that is a current or former (within the five-year period prior to the Closing Date) partner, member or principal (or any employee acting in any such capacity) of any Loan Party or a consultant (other than any consultants, financial advisors and/or other third party service providers of nationally recognized standing) of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of a Loan Party, shall be deemed to be an Affiliate of a Loan Party.

"Agent" has the meaning specified thereto in the preamble to this Agreement.

"Agent Fee Letter" means that certain letter agreement referred to in Section 2.6(b) of even date herewith among the Borrowers and the Agent.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

"Agent's Account" means the Deposit Account of Agent identified on Schedule A-1 as the Agent's Account.

"Agent's Liens" means the Liens granted by Parent or its Subsidiaries to Agent under the Loan Documents.

"Agreement" means the Senior Secured Term Loan Agreement to which this Schedule 1.1 is attached.

"AML Legislation" has the meaning specified in Section 17.16 of this Agreement.

"Applicable Prepayment Premium" means, as of any date of determination, an amount equal to (A) during the period on and after the Closing Date up to and including the 360th day following the Closing Date, 6.0% of the amount of the Term Loans repaid or become due, as applicable, (B) from the 361st day following the Closing Date up to and including the 720th day following the Closing Date, 5.0% of the amount of the Term Loans repaid or become due, as applicable, (C) from the 721st day following the Closing Date up to and including the 1080th day following the Closing Date, 4.0% of the amount of the Term Loans repaid or become due, as applicable, (D) from the 1081st day following the Closing Date up to and including the 1260th day following the Closing Date, 3.0% of the amount of the Term Loans repaid or become due, as applicable, and (E) during the period after the 1260th day following the Closing Date, 0% of the amount of the Term Loans repaid or become due, as applicable.

"Application Event" means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, or (b) an Event of Default and the election by Agent (at the written direction of the Required Lenders) to require that payments and proceeds of Collateral be applied pursuant to Section 2.2(b)(ii) of this Agreement.

"Approved Confirmation Order" means the order of the Bankruptcy Court, in form and substance acceptable to the Agent and the Lenders, entered on [ ], 2015 at Docket No. [ ], confirming the Confirmed Plan of Reorganization.

"Assignee" has the meaning specified thereto in Section 13.1(a) of this Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Bankruptcy Court" has the meaning specified thereto in the recitals.

"Bargaining Unit Defined Benefit Plan Calculation Error" has the meaning specified therefor on Schedule 4.11 to the Agreement.

"Bargaining Unit Defined Benefit Plan Calculation Error Event" means any event or series of events related to or arising from the Bargaining Unit Defined Benefit Plan Calculation Error which individually or in the aggregate for all such events do not result in liability to Parent and its Subsidiaries of more than $5,000,000.

"BIA" means the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"Board of Directors" means, as to any Person, the board of directors (or comparable managers) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Borrower" and "Borrowers" shall have the meanings assigned to such terms in the Recitals of this Agreement.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York, except that, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Canadian Loan Party" and "Canadian Loan Parties" means, individually and collectively, Colt Canada and any other Loan Party organized under the laws of Canada or any province or territory thereof.

"Canadian Pension Plan" means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under any such laws, which is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Borrower or any Guarantor in respect of any Person's employment in Canada with such Borrower or such Guarantor.

"Canadian Security Documents" means (a) each document identified on Schedule S to the Agreement (as such schedule may be amended or supplemented by Agent to add additional Canadian Security Documents in connection with the Loan Documents) and (b) any other documents governed by the laws of Canada or any province or territory thereof under which a Lien is granted to Agent (including, without limitation, any Deed of Hypothec).

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250,000,000, (e) Deposit Accounts

maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $250,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above; provided, that, in the case of any Foreign Subsidiary, "Cash Equivalents" of such Foreign Subsidiary shall also include direct obligations of the sovereign country (or any agency thereof which is backed by the full faith and credit of such sovereign country) in which such Foreign Subsidiary is organized and is conducting business or in obligations fully and unconditionally guaranteed by such foreign country (or any agency thereof); provided, further, in the case of any Foreign Subsidiary that is not a Loan Party, "Cash Equivalents" of such Foreign Subsidiary shall also include securities and other investments held by such Foreign Subsidiary in the ordinary course of business which are substantially similar to the assets described in clauses (a) through (g) above.

"Cash Interest" has the meaning specified thereto in Section 2.3(a) of this Agreement.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"Casualty Event" shall mean any loss of title or any loss of or damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Parent or any of its Subsidiaries. "Casualty Event" shall include any taking of all or any part of any real property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any person or any part thereof by any Governmental Authority, or any settlement in lieu thereof.

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, and all implementing regulations.

"Change of Control" means:

(a) prior to the first public offering of common stock of Parent, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting and economic power of Equity Interests of Parent then outstanding, whether as a result of the issuance of securities of Parent, any merger, consolidation, winding up, liquidation or dissolution of Parent, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (a) and clause (b) below, the Permitted Holders shall be deemed to beneficially own any the Equity Interests of an entity (the "specified entity") held by any other

entity (the "parent entity") so long as (x) the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the Equity Interests of the parent entity) and (y) no "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), beneficially owns, directly or indirectly, a larger percentage of the Equity Interests of the parent entity than the Permitted Holders;

(b) on the date of or after the first public offering of common stock of Parent, any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting and economic power of Equity Interests of Parent or any of its direct or indirect parent entities (or their successors by merger, consolidation or purchase of all or substantially all of their assets);

(c) the Continuing Directors shall cease for any reason to constitute a majority of the Board of Directors of Parent then in office;

(d) the Specified Permitted Holders cease to be the beneficial owners, directly or indirectly, of a majority in the aggregate of the total voting and economic power of Equity Interests owned, collectively, by the Permitted Holders;

(e) except as otherwise expressly permitted herein, Parent shall cease to be the direct or indirect holder and owner of one hundred (100%) percent of the Equity Interests of the other Loan Parties; or

(f) a "Change of Control" under (and as defined in) the Senior Credit Agreement, the Third Lien Facility Agreement or the Fourth Lien Note Indenture.

"Chapter 11 Cases" has the meaning specified thereto in the recitals to this Agreement.

"Closing Date" means the date of the deemed making of the Term Loan under this Agreement.

"Closing Date Transactions" means, collectively, the transactions contemplated by the Confirmed Plan of Reorganization and the Approved Confirmation Order, the Loan Documents and the Other Loan Documents (each as in effect on the Closing Date), as amended in connection with each of the foregoing.

"Code" means the New York Uniform Commercial Code, as in effect from time to time.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Parent or its Subsidiaries in or upon which a Lien is or is required to have been granted by such Person in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, freight forwarder, or other Person in possession of, having a Lien upon, or having rights or interests in Parent's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance satisfactory to Agent and the Required Lenders.

"Collections" means all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, cash proceeds of asset sales, rental proceeds, and tax refunds).

"Commitment" means, with respect to each Lender, its Term Loan Commitment, and, with respect to all Lenders, their Term Loan Commitments, as the context requires.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 delivered by the chief financial officer of Administrative Borrower to Agent.

"Confidential Information" has the meaning specified thereto in Section 17.9(a) of this Agreement.

"Confirmed Plan of Reorganization" means the Debtors' Joint Plan of Reorganization dated as of [ ], 2015 and entered at Docket No. [ ] (without any amendments, changes or supplements thereto, except those approved by the Agent and the Lenders) as confirmed by the Bankruptcy Court in the Approved Confirmation Order, together with each permitted amendment and supplement thereto approved by the Lenders.

"Consolidated EBITDA" means, as to any Person and its Subsidiaries, for any period, the amount equal to (without duplication): (a) the Consolidated Net Income of such Person and its Subsidiaries for such period determined in accordance with GAAP, plus (b) as to such Person and its Subsidiaries, each of the following (in each case to the extent deducted in or excluded from the calculation of Consolidated Net Income for such period (in accordance with GAAP)): (i) the Interest Expense for such period, (ii) all Taxes of such Person and its Subsidiaries paid or accrued in accordance with GAAP for such period, (iii) depreciation and amortization (including, but not limited to, imputed interest and deferred compensation) for such period, all in accordance with GAAP, (iv) extraordinary, unusual or nonrecurring charges, expenses or losses that are incurred outside the ordinary course of business, other than contract start-up costs and losses, and other non-cash charges, expenses or losses; provided, however, in the case of the Loan Parties, the aggregate amount added back to Consolidated EBITDA pursuant to this clause (iv) shall not exceed $1,000,000, (v) other non-cash charges, expenses or losses, (vi) costs and expenses related to the Chapter 11 Cases and (vii) management fees.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, that, (a) except to the extent included pursuant to the foregoing clause and except to the extent necessary to reflect Consolidated Net Income on a pro forma basis as provided herein, the net income of any Person accrued prior to the date it becomes a Subsidiary of such Person or is merged into or consolidated or amalgamated with such Person or any of its Subsidiaries or that Person's assets are acquired by such Person or by any of its Subsidiaries shall be excluded; and (b) the net income (if positive) of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to such Person or to any other Subsidiary of such Person is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary shall be excluded, other than any distribution or dividend actually received in cash by such Person or its Subsidiaries, (c) any non-cash compensation expense recorded from grants of stock appreciation or similar rights, stock options or other rights to officers, directors or employees shall be excluded, (d) any impairment charges or asset writeoffs, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded, (e) any after tax effect of income (loss) from early extinguishment of Indebtedness or Hedge Agreements or other derivative instruments or any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging transactions for currency exchange risk shall be excluded, (f) any extraordinary non-cash gain or loss shall be

excluded and (g) the cumulative effect of a change in accounting principles shall be excluded. For the purpose of this definition, net income excludes any gain together with any related Taxes for such gain realized upon the sale or other disposition of any assets outside of the ordinary course of business or of any Equity Interests of such Person or a Subsidiary of such Person.

"Continuing Director" means (a) any member of the Board of Directors of Parent who was a director (or comparable manager) on the Closing Date, after giving effect to the execution and delivery of this Agreement and the other transactions contemplated hereby to occur on such date, and (b) any individual who becomes a member of the Board of Directors of Parent after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"Control Agreement" means a control agreement, in form and substance satisfactory to Agent and the Required Lenders, executed and delivered by Parent or one of its Subsidiaries, Agent, and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account).

"Copyright Security Agreement" has the meaning specified thereto in the Security Agreement.

"Criminal Code Section" has the meaning specified in Section 2.3 of this Agreement.

"Cure Amount" has the meaning specified in Section 8 of this Agreement.

"Cure Notice" has the meaning specified in Section 8 of this Agreement.

"Cure Right" has the meaning specified in Section 8 of this Agreement.

"Currency Due" has the meaning specified in Section 17.15 of this Agreement.

"Debtor" and "Debtors" each have the meaning specified thereto in the recitals to this Agreement.

"Deed of Hypothec" has the meaning specified in Section 15.19 of this Agreement.

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

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement on the date that it is required to do so under the Agreement, (b) notified Administrative Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as determined by the Required Lenders) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement on the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or Insolvency Proceeding, or has had a receiver, interim receiver, receiver and manager, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or Insolvency Proceeding, or has had a

receiver, interim receiver, receiver and manager, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Accounts" means any Deposit Account into which Term Priority Collateral is or is required to be deposited, including the IP Proceeds Account, all as identified on Schedule D-1, in each case over which accounts the Agent has a perfected first priority lien and Control Agreement.

"DIP Term Agent" has the meaning specified thereto in the recitals to this Agreement.

"DIP Term Lenders" has the meaning specified thereto in the recitals to this Agreement.

"DIP Term Loan Agreement" means that certain Senior Secured Superpriority Debtor-In-Possession Term Loan Agreement, dated as of June 16, 2015, entered into by Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDH II, CDTS, Colt Netherlands, the DIP Term Agent and the DIP Term Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced.

"DIP Term Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to DIP Term Agent and DIP Term Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the DIP Term Loan Documents.

"DIP Term Loan Documents" means each "Loan Document" as defined in the DIP Term Loan Agreement , as amended, supplemented, modified, restated, renewed, refinanced or replaced.

"Disclosure Statement" means that certain Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, filed with the Bankruptcy Court, at Docket No. 678, on November 10, 2015.

"Disqualified Equity Interest" means, with respect to any Person, any Equity Interest in such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof) or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by such Person or any of its Affiliates, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Maturity Date; provided, that, an Equity Interest that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale" or a "change of control" shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full in cash of all of the Obligations and the termination of the Commitments.

"Disqualified Lender" means any of the Persons listed on Schedule E-1 and any other Persons identified from time to time in writing to the Agent to the extent reasonably acceptable to the Agent.

"Dollars" or "$" means lawful currency of United States of America.

"Dutch Guaranty" means a general continuing guaranty of the Obligations executed and delivered by Colt Netherlands in favor of Agent, for the benefit of Agent and the Lenders, in form and substance satisfactory to Agent and the Required Lenders, as amended, modified, restated and/or supplemented from time to time.

"Dutch Loan Party" and "Dutch Loan Parties" means, individually and collectively, Colt Netherlands and any other Loan Party organized under the laws of the Netherlands.

"Dutch Parallel Debt" means, in relation to an Underlying Debt (and subject to Section 15.20), an obligation to pay to Agent an amount equal to (and in the same currency as) the amount of that Underlying Debt.

"Dutch Security Documents" means (a) each document identified on Schedule S to the Agreement (as such schedule may be amended or supplemented by Agent (at the direction of the Required Lenders) to add additional Dutch Security Documents in connection with the Loan Documents) and (b) any other documents governed by Dutch law under which security rights are granted to Agent.

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, (a) that is or within the preceding six (6) years has been sponsored, maintained or contributed to by any Loan Party or ERISA Affiliate or (b) to which any Loan Party or ERISA Affiliate has, or has had at any time within the preceding six (6) years, any liability, contingent or otherwise.

"Environmental Action" means any summons, citation, written notice, directive, order, claim, judicial or administrative proceeding, judgment, or other written communication from any Governmental Authority or any third party, alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Materials at any location or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material.

"Environmental Law" means any applicable federal, state, provincial, territorial, foreign or local statute, law, by-law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, requirements of Governmental Authorities, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case relating to protection of the environment, or human health or safety (including, without limitation, ambient air,

vapor, surface water, ground water, land surface or subsurface strata, and natural resources), including, without limitation, Laws relating to (i) Releases or threatened Releases of, or exposure to, Hazardous Materials, (ii) the manufacture, processing, distribution, use, treatment, storage, containment (whether above ground or underground), transport, handling, or disposal of Hazardous Materials, (iii) recordkeeping, notification, disclosure, or reporting requirements regarding Hazardous Materials, (iv) endangered or threatened species of fish, wildlife and plants, and the management or use of natural resources, or (v) the preservation of the environment or mitigation of adverse effects on or to human health or the environment.

"Environmental Liabilities" means all liabilities, monetary obligations, losses (including monies paid in settlement), damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any Remedial Action, Release or threatened Release of Hazardous Materials, any violation of Environmental Law, or any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Environmental Permit" means any permit, registration, certificate, qualification, approval, identification number, license or other authorization required under or issued pursuant to any applicable Environmental Law or by any Governmental Entity pursuant to its authority under Environmental Law.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interests" means, with respect to any Person, all of the shares, interests, participations or other equivalents (however designated) of such Person's capital stock or general partnership, limited partnership, limited liability company or other equity, ownership or profit interests at any time outstanding, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), but excluding any interests in phantom equity plans and any debt security that is convertible into or exchangeable for such shares, and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific section of ERISA shall be deemed to be a reference to such section of ERISA and any successor statutes, and all regulations and guidance promulgated thereunder.

"ERISA Affiliate" means each entity, trade or business (whether or not incorporated) that together with a Loan Party or a Subsidiary would be (or has been) treated as a "single employer" within the meaning of section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of section 414 of the IRC. ERISA Affiliate shall include any Subsidiary of any Loan Party.

"Event of Default" has the meaning specified therefor in Section 8 of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Issuances" means (a) the issuance of Qualified Equity Interests of Parent to directors, officers and employees of Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors of Parent and permitted under this Agreement), (b) in the event that Parent or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Qualified Equity Interests to Parent or such Subsidiary, as applicable, (c) the issuance of Qualified Equity Interests of Parent in order to finance (i) the purchase consideration (or a portion thereof) in connection with an Investment permitted under clause (r)(ii) of the definition of Permitted Investments, (ii) Capital Expenditures permitted under this Agreement and/or (iii) so long as no Default or Event of Default shall have occurred and be continuing, for working capital purposes of Parent and its Subsidiaries (other than for the prepayment of Indebtedness permitted under Section 6.8(a)(ii)), (d) the issuance of Qualified Equity Interests of Parent in order to fund the prepayment of Indebtedness permitted under Section 6.8(a)(ii) and (e) the issuance of Qualified Equity Interests by a Subsidiary of Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) through (e) above, but solely to the extent that (i) in the case of clauses (a) through (e) above, prior to the issuance of any such Qualified Equity Interests, Administrative Borrower has provided Agent with written notice of Borrowers' intention to apply the proceeds of such Qualified Equity Interests in accordance with clause (a), (b), (c), (d) or (e) above, and (ii) in the case of clauses (c)(i), (c)(ii) and (d) above, the use of the proceeds of such issuance or sale of Qualified Equity Interests occurs substantially contemporaneously with the issuance or sale of such Qualified Equity Interests.

"Excluded Property" has the meaning specified in the Security Agreement or the Canadian Security Documents, as the case may be.

"Existing Credit Agreements" means the Prepetition Term Loan Agreement and the DIP Term Loan Agreement.

"Existing IP Licenses" means the licenses in effect on the Closing Date (wherein such licenses may be amended or renewed from time to time provided they have substantially the same terms and conditions as on the Closing Date) as set forth on Schedule L-1.

"Existing Senior DIP Loan Facility" means that certain first amended and restated senior secured super-priority debtor-in-possession credit agreement dated as of June 24, 2015, as amended, by and among Colt US, Colt Canada, the subsidiaries and affiliates of Colt US named as guarantors therein, the lenders party thereto and Cortland Capital Market Services LLC, as agent.

"Extraordinary Receipts" means any payments in cash received by Parent or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.2(e)(ii) of this Agreement) consisting of (a) proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim, (b) indemnity payments (other than to the extent such indemnity payments are immediately payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, (c) foreign, federal, state or local tax refunds, (d) pension plan reversions, and (e) any purchase price adjustment received in connection with any purchase agreement, in each case, after deducting therefrom, to the extent applicable, taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such event, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"Facility" has the meaning specified therefor in the recitals to this Agreement.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC as of the date of this Agreement.

"Finance Party" means Agent or any Lender.

"Fixed Charge Coverage Ratio" means, as of any date of determination, (a) Consolidated EBITDA for the prior twelve month period *less*, the sum of Capital Expenditures, member distributions, management fees, rent expenses (to the extent not reducing Net Income) and foreign and domestic cash income taxes, *plus* the benefit of actual expense reductions over the course of the succeeding three fiscal quarters and the benefit of revenues to be received on account of billed and shipped orders over the course of the succeeding three fiscal quarters, *less* the amount of expenses previously assumed to be reduced in a succeeding fiscal quarter but not actually realized in such fiscal quarter, and *less* the amount of revenue assumed to be received in a succeeding fiscal quarter but not actually received in such fiscal quarter), divided by (b) Interest Expenses payable in cash for the prior twelve month period.

"Flow of Funds Agreement" means a flow of funds agreement, dated as of even date herewith, in form and substance satisfactory to Agent and the Required Lenders, executed and delivered by each Loan Party, Agent, Third Lien Facility Agent and Senior Agent.

"Foreign Lender" means any Lender or Participant that is not a United States person within the meaning of IRC Section 7701(a)(30).

"Foreign Security Documents" means each Canadian Security Document, each Dutch Security Document and each other security document entered into by a Foreign Subsidiary of Parent in favor of Agent.

"Foreign Subsidiary" means a Subsidiary of a Loan Party organized or incorporated under the laws of a jurisdiction other than the United States of America, any state thereof or the District of Columbia.

"Fourth Lien Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to the Fourth Lien Note Trustee and Fourth Lien Noteholders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Fourth Lien Note Documents.

"Fourth Lien Note Documents" means each "Fourth Lien Note Document", "Guaranty" and "Security Document" as defined in the Fourth Lien Note Indenture, and in form and substance satisfactory to the Agent and the Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Junior Intercreditor Agreement.

"Fourth Lien Note Indenture" means that certain Indenture, dated as of November [ ] 2015, entered into by the Fourth Lien Note Trustee, the Borrowers, as issuers of their 8% Fourth Priority Secured Notes Due 2021, and the other Loan Parties as guarantors, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Junior Intercreditor Agreement.

"Fourth Lien Noteholders" means the holders of the Fourth Lien Notes.

"Fourth Lien Notes" means "Notes" as defined in the Fourth Lien Note Indenture.

"Fourth Lien Trustee" means Wilmington Trust Company, in its capacity as trustee, under the Fourth Lien Note Indenture, together with its successors and assigns.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied; provided, that, all calculations relative to liabilities shall be made without giving effect to Statement of Financial Accounting Standards No. 159.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"Governmental Authority" means any federal, state, provincial, territorial, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Guarantors" has the meaning assigned to such term in the Recitals.

"Guaranty" means each guaranty, including the Dutch Guaranty, executed by the Guarantors (or any Guarantor) in favor of Agent, for the benefit of the Lender Group, in form and substance satisfactory to the Required Lenders, and as may be amended or otherwise modified from time to time.

"Hazardous Materials" means, regardless of amount or quantity, (a) any element, compound, substance or chemical that is defined or listed in, or otherwise classified or regulated pursuant to, any Environmental Laws as a contaminant, pollutant, "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity," (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, (d) asbestos in any form and polychlorinated biphenyls ("PCBs"), and (e) any other chemical, material or substance regulated under any Environmental Law.

"Hedge Agreement" means a "swap agreement" as that term is defined in Section 101(53B)(A) of the Bankruptcy Code.

"Holdout Lender" has the meaning specified thereto in Section 14.2(a) of this Agreement.

"IFRS" means the International Financial Reporting Standards.

"IFRS Adoption" has the meaning specified thereto in Section 1.2 of this Agreement.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation

or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, (ii) the amount of any Indebtedness described in clause (d) above shall be the lower of the amount of the obligation and the fair market value of the assets of such Person securing such obligation and (iii) any earn out obligation of a Person shall not constitute Indebtedness for the purposes of calculating any of the financial ratios herein until such obligation constitutes a liability on the balance sheet of such Person.

"Indemnified Liabilities" has the meaning specified thereto in Section 10.3 of this Agreement.

"Indemnified Person" has the meaning specified thereto in Section 10.3 of this Agreement.

"Indemnified Taxes" means any Taxes now or hereafter imposed by any Governmental Authority with respect to any payments by any Loan Party under any Loan Document; provided, however, that Indemnified Taxes shall exclude (i) any Tax imposed on net income (including any branch profits Taxes) and any franchise or similar Taxes in lieu thereof, in each case imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which the recipient is organized or in which the recipient's principal office or applicable lending office is located or as a result of any other present or former connection between such recipient and the jurisdiction (or political subdivision or taxing authority thereof) imposing the Tax (other than any such connection arising from such recipient having executed, delivered, become a party to, performed its obligations or received payment under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, sold or assigned an interest in any Loan or Loan Document, or enforced its rights or remedies under the Agreement or any other Loan Document); (ii) Taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 16.2(a), (b) or (c) of this Agreement, (iii) any U.S. federal withholding Taxes that would be imposed on amounts payable to a Foreign Lender based upon the applicable withholding rate in effect at the time such Foreign Lender acquires its interest in the applicable Obligation or Commitment (other than pursuant to an assignment required by any Loan Party pursuant to Section 14.2) or designates a new lending office, except to the extent that such Foreign Lender (or its assignor, if any) was entitled to receive additional amounts pursuant to Section 16.1 of this Agreement with respect to such withholding Tax immediately prior to such assignment or change in lending office and (iv) any U.S. federal withholding Taxes imposed under FATCA.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the CCAA, the BIA or the Winding-Up Act or under any other provincial, territorial, state or federal bankruptcy or insolvency law or any bankruptcy or insolvency law of any other applicable jurisdiction, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief.

"Intellectual Property" means all domestic and foreign rights, title and interest in the following: (i) inventions, discoveries and ideas, whether patentable or not, and all patents, registrations and

applications thereto, including without limitation divisions, continuations, continuations-in-part, reexaminations, reissues and renewal applications; (ii) published and unpublished works of authorship, whether copyrightable or not, copyrights therein and thereto and registrations and applications thereto, and all renewals, extensions, restorations and reversions thereof; (iii) trademarks, service marks, trade names, trade dress, brand names, Internet domain names, logos, symbols, and other indicia of origin, all applications and registrations for all of the foregoing, and all goodwill associated therewith and symbolized thereby, including without limitation all extensions, modifications and renewal of the same; (iv) confidential and proprietary information, trade secrets and know-how, including, without limitation, TDPs, formulae, processes, compounds, drawings, designs, industrial designs, blueprints, surveys, reports, manuals, operating standards and customer lists; (v) software and contract rights relating to computer software programs, in whatever form created or maintained; and (vi) all other intellectual property rights or proprietary rights and claims or causes of action arising out of or related to any infringement, misappropriation or other violation of any of the foregoing throughout the world, including, without limitation, rights to recover for past, present and future violations thereof and any and all products and proceeds of the foregoing.

"Intercompany Subordination Agreement" means an intercompany subordinated note executed and delivered by the Loan Parties and the other parties thereto, the form and substance of which is satisfactory to the Required Lenders.

"Intercreditor Agreements" means collectively, the Senior Intercreditor Agreement and the Junior Intercreditor Agreement.

"Interest Expense" means, for any period, as to any Person, as determined in accordance with GAAP, the amount equal to total interest expense of such Person and its Subsidiaries on a consolidated basis for such period, whether paid or accrued (including the interest component of any Capital Lease for such period), and in any event, including, without limitation, (a) discounts in connection with the sale of any Accounts, (b) bank fees, commissions, discounts and other fees and charges in each case owed with respect to letters of credit, banker's acceptances or similar instruments or any factoring, securitization or similar arrangements, (c) interest payable by addition to principal or in the form of property other than cash and any other interest expense not payable in cash, and (d) the costs or fees for such period associated with Hedge Agreements to the extent not otherwise included in such total interest expense; provided, that, for purposes of the determination of Consolidated EBITDA, Interest Expense shall include, to the extent treated as interest in accordance with GAAP, all non-cash amounts in connection with borrowed money (including paid-in-kind interest).

"Inventory" means inventory (as such term is defined in the Code).

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* Accounts arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"IP Holdcos" has the meaning specified thereto in the recitals of this Agreement.

"IP License" means any exclusive or non-exclusive license or sublicense of any Intellectual Property owned or controlled by any Loan Party (other than the Existing IP Licenses).

"IP License Proceeds" means the net proceeds of royalties and other payments (upfront or otherwise) received in connection with each exclusive or non-exclusive license or sublicense of Intellectual Property owned or controlled by any Loan Party to a third party, including the Existing IP Licenses, provided, however, for the avoidance of doubt, proceeds other than royalties arising from or related to Intellectual Property received under agreements permitted under Sections 6.3(c)(2)(a)(i) and (ii) of this Agreement are excluded from IP License Proceeds.

"IP Proceeds Account" has the meaning specified in Section 6.3.

"IP Reporting Certificate" means an IP reporting certificate substantially in the form of Exhibit I-1 executed and delivered by the Loan Parties to Agent.

"IRC" means the Internal Revenue Code of 1986, as amended.

"ITAR" means the International Traffic in Arms Regulations (22 CFR 120-130).

"Judgment Currency" has the meaning specified in Section 17.15 of this Agreement.

"Junior Intercreditor Agreement" means that certain Junior Intercreditor Agreement, dated as of the date hereof, entered into between the Agent, Senior Agent, Third Lien Facility Agent and the Fourth Lien Trustee, as amended and in effect from time to time.

"Law" means each provision of any currently implemented Federal, state, local, foreign, national, international or supranational treaty, law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Governmental Authority.

"Lender" has the meaning set forth in the preamble to the Agreement, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of this Agreement and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) costs or expenses (including taxes, and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent and each Lender in connection with the Lender Group's transactions with Parent or its Subsidiaries under any of the Loan Documents, including, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and PPSA and UCC searches and including searches with the patent and trademark office, or the copyright office, or similar searches with respect to the Canadian Loan Parties and the Dutch Loan Parties), filing, recording, publication, appraisal (including periodic collateral appraisals to the extent of the fees and charges (and up to the amount of any limitation) contained in the Agreement), real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise) or with respect to the establishment of electronic collateral reporting systems, together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith, (d) reasonable and documented out-of-pocket charges paid or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (e) reasonable out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling,

preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) reasonable and documented out-of-pocket costs and expenses of third party claims or any other suit paid or incurred by the Lender Group in enforcing or defending the Loan Documents or in connection with the transactions contemplated by the Loan Documents or the Lender Group's relationship with Parent or any of its Subsidiaries, (g) Agent's and each Lender's reasonable and documented costs and expenses (including reasonable attorneys and financial advisor fees) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating, or amending the Loan Documents, and (h) Agent's and each Lender's reasonable and documented costs and expenses (including reasonable attorneys, accountants, consultants, financial advisors, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether suit is brought, or in taking any Remedial Action concerning the Collateral.

"Lender Group Representatives" has the meaning specified thereto in Section 17.9 of this Agreement.

"Lenders' Fee Letter" means that certain letter agreement referred to in Section 2.6(a) of even date herewith among the Borrowers and the Agent.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, hypothec, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Liquidity" means all Unrestricted Cash and Cash Equivalents of the Loan Parties (on a consolidated basis) that are subject to a Control Agreement, it being understood that cash on deposit in any IP Proceeds Account that constitutes Collateral shall be considered Unrestricted Cash.

"Loan Account" has the meaning specified thereto in Section 2.5 of this Agreement.

"Loan Documents" means the Agreement, each Canadian Security Document, the Control Agreements, any Copyright Security Agreement, each Dutch Security Document, the Flow of Funds Agreement, each Guaranty, the Intercompany Subordination Agreement, any Mortgage, any Patent Security Agreement, the Security Agreement, any Trademark Security Agreement, any other Security Document, any UCC Filing Authorization Letter or similar authorization, any Agent Fee Letter or similar document, any note or notes executed by Borrower in connection with the Agreement and payable to any member of the Lender Group, any letter of credit application entered into by any Borrower in connection with the Agreement, and any other agreement entered into or certificate issued, now or in the future, by Parent or any of its Subsidiaries in connection with the Agreement.

"Loan Party" means any Borrower or any Guarantor.

"Management Agreements" means (i) [*Describe new Sciens Management Agreement]* and (ii)[*Describe new Newport/Fidelity Management Agreement]*, in each case, as amended, restated, modified or supplemented from time to time in accordance with the terms hereof.

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Change" means (a) a material adverse change in the business, operations, assets, condition (financial or otherwise) or prospects of Parent and its Subsidiaries, taken as a whole, (b) a material impairment of Parent's and its Subsidiaries ability to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to the Collateral as a result of an action or failure to act on the part of Parent and its Subsidiaries.

"Material Contract" means (i) each Senior Loan Document, (ii) each Third Lien Loan Document, (iii) each Fourth Lien Note Document, (iv) any contract or agreement (other than a Loan Document, Senior Loan Document or Third Lien Loan Document) of any Loan Party involving monetary liability of or to Parent or its Subsidiaries in excess of $1,000,000 and (v) each other contract or agreement, the loss of which could reasonably be expected to result in a Material Adverse Change.

"Maturity Date" has the meaning specified thereto in Section 3.2 of this Agreement.

"Moody's" has the meaning specified thereto in the definition of "Cash Equivalents".

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, deeds to secure debt, charges or debentures executed and delivered by Parent or its Subsidiaries in favor of Agent, in form and substance satisfactory to Agent and the Required Lenders, that encumber the Real Property Collateral.

"Multiemployer Plan" means any multiemployer plan within the meaning of Section 3(37) or 4001(a)(3) of ERISA with respect to which any Loan Party or ERISA Affiliate has an obligation to contribute or has any liability, contingent or otherwise or could be assessed withdrawal liability assuming a complete withdrawal from any such multiemployer plan.

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or its Subsidiaries, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such sale or disposition, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction; and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to

the extent such reserve is required by GAAP, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement in favor of Agent and (y) paid to Agent as a prepayment of the applicable Obligations in accordance with Section 2.2(e) of this Agreement at such time when such amounts are no longer required to be set aside as such a reserve; and

(b) with respect to the issuance or incurrence of any Indebtedness by Parent or any of its Subsidiaries, or the issuance by Parent or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of Parent or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such issuance or incurrence, (ii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043 of ERISA for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC or any Pension Plan or Multiemployer Plan administrator, (e) any other event or condition that would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan (other than any withdrawal that would not constitute an Event of Default under Section 8.16 of this Agreement), (h) any event or condition that results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA, (i) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (j) any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is or is expected to be insolvent or in reorganization within the meaning of Title IV of ERISA, (k) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e), (l) the failure of any Pension Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (m) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) with respect to any Pension Plan, (n) the failure to make by its due date a required payment or contribution with respect to any Pension Plan or Multiemployer Plan, or (o) any event that results in or could reasonably be expected to result in a liability by a Loan Party or ERISA Affiliate pursuant to Title IV of ERISA.

"Obligations" means all loans, debts, principal, interest (including any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or

in part as a claim in any such Insolvency Proceeding), all amounts charged to the Loan Account pursuant to the Agreement, premiums (including amounts due in connection with any Applicable Prepayment Premium), liabilities, obligations (including indemnification obligations), fees (including the fees provided in Section 2.6), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party pursuant to or evidenced by the Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrower is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Originating Lender" has the meaning specified thereto in Section 13.1(e) of this Agreement.

"Other Loan Documents" means the Senior Loan Documents, the Third Lien Loan Documents and the Fourth Lien Note Documents, collectively.

"Parent" has the meaning specified thereto in the preamble to the Agreement.

"Participant" has the meaning specified thereto in Section 13.1(e) of this Agreement.

"Participant Register" has the meaning set forth in Section 13.1(i) of this Agreement.

"Patent Security Agreement" has the meaning specified thereto in the Security Agreement.

"Patriot Act" has the meaning specified thereto in Section 4.18 of this Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Section 412 or 430 of the IRC and which is sponsored, maintained, or contributed to by any Loan Party or ERISA Affiliate or with respect to which any Loan Party or ERISA Affiliate has any liability, contingent or otherwise.

"Perfection Certificate" means the Perfection Certificate delivered to Agent and the Lenders on the Closing Date, as such certificate may be updated pursuant to Section 6(k) of the Security Agreement, which certificate provides information with respect to the assets of each Loan Party.

"Permitted Disposition" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete in the ordinary course of business,

(b) sales of Inventory to buyers in the ordinary course of business and the consignment of Inventory to the Government of the United Mexican States in the ordinary course of business pursuant to a written agreement (the "DCAM Consignment"); provided, that, the

maximum value of Inventory at the Government of the United Mexican States at any one time shall not exceed $2,000,000,

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents,

(d) the granting of IP Licenses subject to, and in accordance with Section 6.3(c) of this Agreement and the amendment or renewal permitted for Existing IP Licenses;

(e) the non-exclusive licensing or sublicensing of any general intangibles (other than Intellectual Property or the licenses in effect on the Closing Date as set forth on Schedule L-1) and licenses, leases or subleases of other property, in each case, in the ordinary course of business consistent with past practice and so long as any such transaction shall not materially interfere with the business of Parent and its Subsidiaries;

(f) the granting of Permitted Liens;

(g) the sale or discount, in each case without recourse, of Accounts arising in the ordinary course of business consistent with past practice, but only in connection with the compromise or collection thereof;

(h) any involuntary loss, damage or destruction of property;

(i) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(j) the leasing or subleasing of assets of Parent or its Subsidiaries (other than Accounts and Inventory or Intellectual Property in the ordinary course of business consistent with past practice;

(k) the sale or issuance of Equity Interests by any Subsidiary of Parent to a Loan Party,

(l) [intentionally omitted];

(m) the making of a Restricted Payment that is expressly permitted to be made pursuant to Section 6.10 of this Agreement;

(n) the making of a Permitted Investment;

(o) the sale or other disposition of property by a Loan Party to another Loan Party in the United States or Canada; and

(p) sales or other dispositions of assets of Parent and its Subsidiaries not otherwise subject to the provisions set forth in this definition, provided that as to any such sale or other disposition, each of the following conditions is satisfied:

(i) such transaction does not involve the sale or other disposition of any Intellectual Property, Equity Interest in any Subsidiary or Accounts or Inventory;

(ii) the aggregate amount of such dispositions does not exceed $500,000 from the Closing Date; and

(iii) such aggregate amount of $500,000 referred to in paragraph (ii) shall not be in addition to the corresponding $500,000 referred to in Section 2.2(e)(i)(y).

"Permitted Holder" means the Persons listed on Schedule P-3 to the Agreement.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents,

(b) Indebtedness set forth on Schedule 4.19 and, in the case of letters of credit listed on such schedule, extensions of maturity or replacements of such Indebtedness in the same principal amount,

(c) Permitted Purchase Money Indebtedness; provided, that the aggregate amount of all such Indebtedness does not exceed $1,000,000 at any time outstanding unless otherwise agreed to in writing by the Lenders,

(d) endorsement of instruments or other payment items for deposit,

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; (iii) unsecured guarantees with respect to Indebtedness of Parent or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty would have been permitted to incur such underlying Indebtedness; provided, that the aggregate amount of all such Indebtedness under provisos (i), (ii) and (iii) of this paragraph (e) does not exceed $100,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders.

(f) Indebtedness incurred in the ordinary course of business under performance, surety, statutory and appeal bonds,

(g) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or treasury or Cash Management Services, in each case, incurred in the ordinary course of business,

(h) Indebtedness of Parent or its Subsidiaries arising pursuant to Permitted Intercompany Advances,

(i) Indebtedness consisting of Permitted Investments,

(j) Indebtedness with respect to letters of credit issued by, or a letter of credit facility with, a letter of credit issuer reasonably acceptable to Required Lenders, in an aggregate face amount not to exceed $5,000,000,

(k) Indebtedness incurred by Parent or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid surety and similar bonds and completion guarantees (not for borrowed money), in each case in the ordinary course of business,

(l) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that such Indebtedness is extinguished with ten Business Days of incurrence,

(m) Indebtedness of Parent or any Subsidiary consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business,

(n) Indebtedness evidenced by each of the Senior Credit Agreement, Third Lien Facility Agreement and Fourth Lien Note Indenture;

(o) Indebtedness incurred by Colt US or a Guarantor formed under the laws of a State within the United States and otherwise acceptable to the Lenders for the purchase of the facility underlying the West Hartford Lease; and

(p) unsecured Indebtedness in an aggregate principal amount not exceeding $25,000,000; provided that (A) such Indebtedness shall be subordinate in right of payment to the Obligations on terms and conditions reasonably satisfactory to Required Lenders, (B) the terms of such Indebtedness do not require Parent or any Subsidiary to make cash payments prior to the date that is 91 days after the Maturity Date and (C) such Indebtedness has a maturity date that is at least 91 days after than the Maturity Date.

"Permitted Intercompany Advances" means loans (a) made by a Loan Party that is not a Specified Loan Party to another Loan Party that is not a Specified Loan Party and (b) made by a Loan Party that is not a Specified Loan Party to a Specified Loan Party; provided, that, (i) in the case of clauses (a) and (b), Agent shall have received an Intercompany Subordination Agreement as duly authorized, executed and delivered by the parties to any such loans and (ii) in the case of clause (b) only, the aggregate amount of all such loans does not exceed $500,000 at any time outstanding unless otherwise agreed to in writing by the Required Lenders.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents of any Loan Party or other Investments by a Loan Party or a non-Loan Party in any Loan Party,

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business,

(c) advances made in connection with purchases of goods or services in the ordinary course of business,

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of any Loan Party or any of its Subsidiaries,

(e) guarantees permitted under the definition of "Permitted Indebtedness,"

(f) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to any Loan Party or any of its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business consistent with past practice) or as security for any such Indebtedness or claims,

(g) deposits of cash made in the ordinary course of business to secure performance of operating leases,

(h) the endorsement of instruments for collection or deposit in the ordinary course of business,

(i) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business,

(j) receivables owing to Parent or any of its Subsidiaries if created or acquired in the ordinary course of business consistent with current practices as of the date hereof,

(k) loans and advances by Parent and its Subsidiaries to independent directors, officers and employees of Parent and its Subsidiaries in the ordinary course of business for bona fide business purposes not in excess of $250,000 at any time outstanding,

(l) stock or obligations issued to Parent and its Subsidiaries by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to Parent and its Subsidiaries in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person, provided, that, the original of any such stock or instrument evidencing such obligations shall be promptly delivered to Agent, upon the Required Lenders' request, together with such stock power, assignment or endorsement by Parent and its Subsidiaries as the Required Lenders may request,

(m) Investments constituting Restricted Payments permitted by Section 6.10 of this Agreement,

(n) Investments made as a result of the receipt of non-cash consideration from a Permitted Disposition,

(o) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by Parent and its Subsidiaries in connection with such plans, and

(p) solely to the extent constituting Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case in the ordinary course of business.

(q) Permitted Intercompany Advances; and

(r) (i) other Investments in an aggregate outstanding amount not to exceed $500,000 at any time and (ii) other Investments made solely with the proceeds of any Excluded Issuances (as described in clause (c)(i) of the definition thereof); provided, that, as of the date of such

Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

"Permitted Liens" means:

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations,

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) for which the underlying Taxes are the subject of Permitted Protests,

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of this Agreement,

(d) Liens set forth on Schedule P-2; provided, however, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 shall only secure the Indebtedness that it secures on the Closing Date or in the case of Liens on cash deposits securing letters of credit issued and outstanding on the Closing Date ("Closing Date LCs"), Liens on cash deposits of any equivalent amount securing replacements or extensions of such letters of credit; provided that the cash deposits securing the Closing Date LCs have been returned to the applicable Loan Party (or arrangements for the substantially concurrent return of such cash deposits to the applicable Loan Party have been made),

(e) any interest or title of a lessor, sublessor or licensor in or to any asset (other than Accounts or Inventory) under any lease, sublease or license entered into by Parent or its Subsidiaries in the ordinary course of business consistent with past practice and covering only such asset,

(f) Liens or the interests of lessors under Capital Leases, in each case, as to assets or property, other than Accounts or Inventory, to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset or property purchased or acquired and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset or property purchased or acquired,

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business consistent with past practice and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests,

(h) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance, consistent with past practice,

(i) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business consistent with past practice and not in connection with the borrowing of money,

(j) Liens on cash deposited to secure Parent's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business consistent with past practice,

(k) with respect to any Real Property, encumbrances, ground leases, easements or reservations of, or rights of others (including any reservations, limitations, provisos and conditions expressed in any original grant from the Crown with respect of any Real Property owned by Colt Canada) for, licensees, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) in each case as to the use of Real Property or Liens on Real Property incidental to the conduct of the business of Parent or its Subsidiaries or to the ownership of its Real Property that (in each case) do not individually or in the aggregate materially adversely affect the value of any such Real Property or materially impair, or interfere with, the use or operation of such Real Property,

(l) licenses of Intellectual Property to the extent constituting a Permitted Disposition under clause (d) of the definition thereof;

(m) rights of setoff or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business consistent with past practice,

(n) Liens in favor of customs, revenue or other tax authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods,

(o) Liens arising from precautionary Code financing statement filings regarding operating leases entered into by Parent and its Subsidiaries in the ordinary course of business consistent with past practice,

(p) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business, including Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions,

(q) in the event that a US Loan Party shall have purchased the facility underlying the West Hartford Lease, (i) third party mortgages securing Indebtedness not to exceed $[ ] at any time outstanding, (ii) a mortgage securing this Agreement, (iii) a mortgage securing the Senior Credit Agreement, (iv) a mortgage securing the Third Lien Facility Agreement and (v) a mortgage securing the Fourth Lien Note Documents, all of which shall be on terms in form and substance reasonably acceptable to the Agent and the Lenders,

(r) with respect to any Real Property, minor survey exceptions, minor encumbrances, ground leases, easements or reservations or, or rights of others for, licenses, rights-of-way servitudes, sewers, restrictive consents, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) which (in each case) were not incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of such Real Property or materially impair, interfere with, the use or operation of such Real Property,

(s) leases, subleases, licenses or sublicenses to the extent permitted by clause (d) of the definition of "Permitted Dispositions",

(t) Liens on cash deposits to secure Indebtedness permitted by clause (j) of the definition of "Permitted Indebtedness", and

(u) Liens securing Permitted Indebtedness pursuant to clause (n) of the definition or "Permitted Indebtedness," provided that such Liens are subject to the terms of the Senior Intercreditor Agreement, the Junior Intercreditor Agreement, as applicable.

Notwithstanding anything to the contrary contained in any of the Loan Documents, Permitted Liens shall not include any Liens on assets of any Loan Party which secure any Indebtedness or other obligations of any Foreign Subsidiary, except (x) as permitted by clauses (a) and (u) of the definition of "Permitted Liens," (y) as consented to in writing by the Required Lenders or (z) Liens on assets of Canadian Loan Parties to the extent permitted by Section 6.1 or 6.2 of the Agreement.

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes, or rental payment, provided that (a) a reserve or provision with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP and (b) such Lien or other obligations are being contested in good faith by appropriate proceedings diligently conducted and such proceedings operate to stay the enforcement of such Lien or any Lien securing any such obligations.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Purchase Money Indebtedness incurred after the Closing Date in an aggregate principal amount outstanding at any one time not in excess of $1,000,000.

"Person" means natural persons, corporations, companies, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, Governmental Authorities or otherwise, whether existing as of the date hereof or subsequently created or coming to exist.

"Petition Date" means June 14, 2015.

"Plan Consummation" has the meaning specified thereto in the recitals to this Agreement.

"PPSA" means the Personal Property Security Act (Ontario), the Civil Code of Québec or any other applicable Canadian Federal, Provincial or Territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Prepetition Term Agent" has the meaning specified thereto in the recitals to this Agreement.

"Prepetition Term Lenders" has the meaning specified thereto in the recitals to this Agreement.

"Prepetition Term Loan Agreement" means that certain Term Loan Agreement, dated as of November 17, 2014, entered into by, Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDTS, Colt Netherlands, the Prepetition Term Agent and the Prepetition Term Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Prepetition Intercreditor Agreement.

"Prepetition Term Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to Prepetition Term Agent and Prepetition

Term Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Prepetition Term Loan Documents.

"Prepetition Term Loan Documents" means each "Loan Document" as defined in the Prepetition Term Loan Agreement, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Prepetition Intercreditor Agreement.

"Pro Rata Share" means, as of any date of determination: with respect to a Lender's obligation to make all or a portion of the Term Loan and right to receive payments of principal, interest, fees, costs, and expenses with respect thereto, the percentage obtained by dividing (a) the outstanding principal amount of the Term Loan owed to such Lender, by (b) the aggregate outstanding principal amount of the Term Loan.

"Prohibited IP Licenses" has the meaning specified thereto in Section 6.3.

"Projections" means Parent's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Parent's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Purchase Money Indebtedness" means Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof.

"Qualified Equity Interests" means and refers to any Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that are not Disqualified Equity Interests. For the avoidance of doubt, for purposes of the exercise of the Cure Right under Section 8 hereof and not for any other purpose, [Class A, Class B, and preferred equity] issued pursuant to the amended and restated limited liability company agreement of Parent as in effect on the Closing Date shall constitute Qualified Equity Interests and shall be permitted to be issued hereunder.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or its their Subsidiaries and the improvements thereto.

"Receiver" has the meaning specified thereto in Section 9.3 of this Agreement.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Register" has the meaning set forth in Section 13.1(h) of this Agreement.

"Registered Loan" has the meaning set forth in Section 13.1(h) of this Agreement.

"Regulation" has the meaning set forth in Section 4.33 of this Agreement.

"Reinvestment Event" means any event resulting in a prepayment requirement under Section 2.2(e)(i) of this Agreement in respect of which the Borrowers have delivered a Reinvestment Notice in accordance with the terms of this Agreement.

"Reinvestment Notice" means a written notice delivered to the Agent executed by a Responsible Officer stating that no Default or Event of Default has occurred and is continuing and that the Borrowers

(directly or indirectly through a Guarantor) intend and expect to use all or a specified portion of the Net Cash Proceeds of such Reinvestment Event for a purpose permitted pursuant to Section 2.2(e)(i).

"Reinvestment Prepayment Date" means with respect to any Reinvestment Event, the earlier of (a) the date occurring sixty (60) days after such Reinvestment Event or any Loan Party shall have entered into a binding commitment to reinvest such proceeds within sixty (60) days such date may be extended by an additional sixty (60) days and (b) the date on which the Borrowers (or their Subsidiaries) shall have determined not to, or shall have otherwise ceased to apply the applicable proceeds for a purpose permitted pursuant to Section 2.2(e)(i) of this Agreement.

"Related Fund" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials or violations of Environmental Law, in each case as required by Environmental Laws or Governmental Authority.

"Replacement Lender" has the meaning specified thereto in Section 2.7(b) of this Agreement.

"Report" has the meaning specified thereto in Section 15.16(a) of this Agreement.

"Required Lenders" means, at any time, Lenders whose aggregate Pro Rata Shares exceed 50.0%.

"Required Prepayment Date" has the meaning specified thereto in Section 2.2(e)(vi) of this Agreement.

"Responsible Officer" means any chief executive officer, president, senior vice president, executive vice president, chief operating officer, chief financial officer, chief accounting officer, general counsel, treasurer or other similar officer of any Borrower.

"Restricted Payment" means to the declaration or payment of any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to Parent or such Subsidiary's stockholders, partners or members (or the equivalent Person thereof), or payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of Parent or any of its Subsidiaries, or any setting apart of funds or property for any of the foregoing.

"Sanctioned Entity" means (a) a region, country or a government of a region or country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a region or country, in each case, that is subject to a comprehensive sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals or any similar sanctions list maintained by OFAC.

"S&P" has the meaning specified thereto in the definition of "Cash Equivalents".

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Agreement" means a security agreement, dated as of even date with the Agreement, in form and substance satisfactory to Agent and the Required Lenders, executed and delivered by the US Loan Parties to Agent.

"Security Documents" means any Canadian Security Document, any Dutch Security Document, any other Foreign Security Document, any US Security Document, and any other security document entered into by a Loan Party in favor of Agent, including any other document purporting to grant a security interest.

"Senior Agent" means Cantor Fitzgerald Securities, and its permitted successors and assigns.

"Senior Credit Agreement" means that Senior Secured Credit Agreement, dated as the date hereof, entered into by, among others, the Loan Parties and Senior Agent, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Senior Intercreditor Agreement.

"Senior Intercreditor Agreement" means that certain Intercreditor Agreement, dated as of the date hereof, entered into between the Agent and the Senior Agent, as amended and in effect from time to time.

"Senior Loan Documents" means each "Loan Document," as defined in the Senior Credit Agreement and in form and substance satisfactory to the Agent and the Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Senior Intercreditor Agreement.

"Senior Obligations" means the Obligations as such term is defined in the Senior Credit Agreement.

"Senior Priority Collateral" has the meaning specified thereto in the Senior Intercreditor Agreement.

"Solvent" means, at any time with respect to any Person, that at such time such Person is able to pay its debts as they become due in the ordinary course.

"Specified Canadian Pension Plan" means any Canadian Pension Plan which contains a "defined benefit provision," as defined in subsection 147.1(1) of the Income Tax Act (Canada).

"Specified Government Property" means any and all property loaned, leased or otherwise provided to a Loan Party pursuant to or in connection with a Specified Government Property Loan Agreement.

"Specified Government Property Loan Agreement" means, individually and collectively, (a) the Loan Agreement, executed on or about May 27, 2009, between Colt Canada and Department of National Defence (Canada), and (b) any other agreement between any Loan Party and the national government of Canada or any of its agencies or instrumentalities pursuant to which the national government of Canada or any of its agencies or instrumentalities lends, leases or otherwise provides goods to a Loan Party to be used by a Loan Party for purposes of performing work pursuant to a supply or similar agreement between a Loan Party and the national government of Canada or any of its agencies or instrumentalities.

"Specified Loan Party" means any Loan Party (a) that is not formed, organized and/or incorporated under the laws of the United States of America, any state thereof, the District of Columbia, Canada (or any province or territory thereof) or the Netherlands and (b) for which Agent has provided notice to Administrative Borrower that such Loan Party is a Specified Loan Party.

"Specified Permitted Holders" means Newport/Fidelity and Bowery.

"Specified Transaction" means (i) any Investment permitted under this Agreement that results in a Person becoming a Subsidiary, (ii) any sale, disposition or transfer that results in a Subsidiary ceasing to be a Subsidiary of Parent or any, in each case, whether by merger, consolidation, amalgamation or otherwise, (iii) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit, unless such Indebtedness has been permanently repaid and has not been replaced), or (iv) any other transaction that by the terms of this Agreement requires any financial ratio (or component definition) to be calculated on a pro forma basis.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity.

"Tax Lender" has the meaning specified thereto in Section 14.2(a) of this Agreement.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges now or hereafter imposed by any Governmental Authority, including any interest, penalties or similar liabilities with respect thereto.

"TDP" means data that is used in the production of firearms or accessories for firearms, including, but not limited to, engineering drawings, three dimensional CAD models, associated lists, material specifications, product specifications, tooling and gauging, including associated drawings and models, assembly instructions, fixtures, including associated drawings, engineering change information, previous revision information, process specifications and standards, as may be revised from time to time.

"Term Loan" has the meaning specified thereto in Section 2.1 of this Agreement.

"Term Loan Amount" means $[98,500,000], including, without limitation, any increase in the principal amount of Term Loans as a result of PIK Interest.

"Term Loan Commitment" means, for any Lender, its obligation to make a portion of the Term Loan in the principal amount shown on Schedule C-1 of this Agreement.

"Term Note" means a promissory note of Borrower payable to the order of a Lender in substantially the form of Exhibit B-1 of this Agreement, evidencing indebtedness of Borrower to each Lender pursuant to the Term Loan.

"Term Priority Collateral" has the meaning specified thereto in the Senior Intercreditor Agreement.

"Third Lien Facility Agent" means Cantor Fitzgerald Securities, and its permitted successors and assigns.

"Third Lien Facility Agreement" means that certain Third Lien Credit Agreement, dated as of December [ ] 2015, entered into by the Loan Parties, the Third Lien Facility Agent and the Third Lien Facility Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Junior Intercreditor Agreement.

"Third Lien Facility Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to the Third Lien Facility Agent and Third Lien Facility Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Third Lien Loan Documents.

"Third Lien Facility Lenders" means the lenders from time to time party to the Third Lien Facility Agreement.

"Third Lien Loan Documents" means each "Loan Document" as defined in the Third Lien Facility Agreement and in form and substance satisfactory to the Agent and the Lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the Junior Intercreditor Agreement.

"Trademark Security Agreement" has the meaning specified thereto in the Security Agreement.

"Treasury Rate" means, as of the applicable prepayment date, the yield to maturity as of such prepayment date of the United States Treasury securities with a constant maturity most nearly equal to the period from such redemption date to the Maturity Date; provided, however, that if no published maturity exactly corresponds with such date, then the Treasury Rate shall be interpolated or extrapolated on a straight-line basis from the arithmetic mean of the yields for the next shortest and next longest published maturities; provided, further, however, that if the period from such redemption date to the Maturity Date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"UCC Filing Authorization Letter" means a letter duly executed by each Loan Party authorizing Agent to file appropriate financing statements on Form UCC-1 in such office or offices as may be necessary or, in the opinion of Agent or the Required Lenders, desirable to perfect the security interests purported to be created by each US Security Document.

"Underlying Debt" means, in relation to a Loan Party and at any given time, each Obligation (whether present or future, actual or contingent) owing by such Loan Party to a Finance Party under the Loan Documents (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Loan Document, in each case whether or not anticipated as of the date of this Agreement) excluding that Loan Party's Dutch Parallel Debt.

"United States" means the United States of America.

"Unrestricted Cash" means cash or Cash Equivalents of any Loan Party organized under the laws United States or Canada that are not subject to any express contractual restrictions on the application thereof (it being expressly understood and agreed that, for the avoidance of doubt, affirmative and negative covenants and events of default that do not expressly restrict the application of such cash or Cash Equivalents shall not constitute express contractual restrictions for purposes of this definition) and not subject to any Lien (other than Liens created by the Loan Documents, non-consensual Liens permitted by Section 6.2 and (whether or not consensual) Liens permitted by clause (u) of the definition of Permitted Liens); provided; however; that for the purposes of this definition the cash or Cash Equivalents of any Loan Party organized under the laws of Canada shall be net of out of pocket costs or fees and applicable taxes, necessary to repatriate such cash determined by Parent in good faith.

"US Dollar Equivalent" means at any time (a) as to any amount denominated in US Dollars, the amount thereof at such time, and (b) as to any amount denominated in any other currency, the equivalent amount in US Dollars calculated by Agent in good faith at such time using the exchange rate in effect on the Business Day of determination.

"US Dollars," "US$" and "$" shall each mean lawful currency of the United States of America.

"US Loan Party" and "US Loan Parties" means, individually and collectively, each Loan Party organized under the laws of the United States.

"US Security Documents" means the Security Agreement, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and each other document identified on Schedule S (as such schedule may be amended or supplemented by Agent (at the written direction of the Required Lenders) to add additional US Security Documents in connection with in connection with the Loan Documents), and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be required by the Required Lenders.

"Voidable Transfer" has the meaning specified thereto in Section 17.8 of this Agreement.

"Waivable Mandatory Prepayment" has the meaning specified thereto in Section 2.2(e)(vi) of this Agreement.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the then outstanding principal amount of such Indebtedness into (b) the total of the product obtained by multiplying (c) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (d) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment.

"West Hartford Lease" means the lease agreement dated [ ] with respect to [ ][2], being the Parent's primary location in West Hartford, Connecticut, among [ ] and [ ], as it may be amended with the consent of the Required Lenders.

[2] NTD: Insert exact address.

"Winding-Up Act" means the Winding-Up and Restructuring Act (Canada), R.S.C., C.W.-11, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented together with all official rules, regulations and interpretations thereunder or related thereto.

"WSFS" has the meaning specified thereto in the preamble to this Agreement.

Exhibit C

Third Lien Exit Credit Agreement

THIRD LIEN CREDIT AGREEMENT

by and among

COLT DEFENSE LLC

AND
COLT CANADA CORPORATION,

as Borrowers,

THE SUBSIDIARIES AND AFFILIATES OF COLT DEFENSE LLC NAMED AS GUARANTORS HEREIN,

as Guarantors,

THE LENDERS THAT ARE PARTIES HERETO,

as the Lenders,

and

CANTOR FITZGERALD SECURITIES,

as Agent

Dated as of [ ] [ ], [ ]

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EXHIBITS AND SCHEDULES

THIRD LIEN CREDIT AGREEMENT

THIS THIRD LIEN CREDIT AGREEMENT (as amended, restated, supplemented or otherwise modified from time to time, this "Agreement"), is entered into as of [ ] [ ], [ ], by and among:

(i) the lenders identified on the signature pages hereof (each of such lenders, together with their respective successors and permitted assigns, are referred to hereinafter as a "Lender," as that term is hereinafter further defined);

(ii) CANTOR FITZGERALD SECURITIES ("CFS"), as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent");

(iii) COLT DEFENSE LLC, a Delaware limited liability company, as a borrower ("Colt US"), and COLT CANADA CORPORATION, a Nova Scotia unlimited company, as a borrower ("Colt Canada", and together with Colt US, each individually, a "Borrower" and, collectively, "Borrowers"); and

(iv) COLT HOLDING COMPANY LLC, a Delaware limited liability company ("Parent"), COLT SECURITY LLC, a Delaware limited liability company ("Colt Security"), COLT FINANCE CORP., a Delaware corporation ("Colt Finance"), NEW COLT HOLDING CORP., a Delaware corporation ("New Colt"), COLT'S MANUFACTURING COMPANY LLC, a Delaware limited liability company ("Colt's Manufacturing"), COLT DEFENSE TECHNICAL SERVICES LLC, a Delaware limited liability company ("CDTS"), CDH II HOLDCO INC., a Delaware corporation ("CDH II"), COLT'S MANUFACTURING IP HOLDING COMPANY LLC, a Delaware limited liability company ("US IP Holdco"), COLT CANADA IP HOLDING COMPANY, a Nova Scotia unlimited company ("Canada IP Holdco", together with US IP Holdco, the "IP Holdcos") and COLT INTERNATIONAL COÖPERATIEF U.A., a cooperative organized under the laws of the Netherlands registered with the trade register of the Chamber of Commerce in the Netherlands under number 56651317 ("Colt Netherlands").

WITNESSETH:

WHEREAS, on June 14, 2015 (the "Petition Date"), certain of the Borrowers and certain of the Guarantors (collectively, the "Debtors" and each individually, a "Debtor") each commenced a case (collectively, the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, on June 17, 2015, the Parent, as the foreign representative on behalf of the Debtors, commenced a recognition proceeding under Part IV of the CCAA in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") to recognize in Canada the Chapter 11 Cases as foreign main or non-main proceedings;

WHEREAS, (i) the Borrowers have requested that the Lenders provide a $50,000,000 third lien credit facility (the "Facility") to Borrowers, the proceeds of which shall be used to pay transaction fees, costs and expenses, provide working capital and fund certain obligations of the reorganized Debtors under the Confirmed Plan of Reorganization and (ii) from time to time following substantial consummation of the Confirmed Plan of Reorganization (the "Plan Consummation"), Borrowers may borrow up to an additional $5,000,000 (the "Additional Permitted Holder Amount") pursuant to the Loan Documents from the Lenders, the proceeds of which may be used to fund Cure Amounts, a portion of the purchase price for the facility underlying the West Hartford Lease or for general working capital purposes;

WHEREAS, upon Plan Consummation, the Borrowers and Guarantors shall enter into the Senior Loan Documents and the Term Loan Documents, the proceeds of which shall be used in accordance with the Confirmed Plan of Reorganization and the Approved Confirmation Order;

WHEREAS, upon Plan Consummation, the Borrowers and Guarantors shall enter into the Fourth Lien Note Documents, pursuant to which the Borrowers shall incur up to $7,000,000 in the aggregate of Indebtedness and issue one or more notes pursuant to an indenture evidencing such Indebtedness to certain Persons as distributions on account of claims as settled in the Chapter 11 Cases and as set forth in the Confirmed Plan of Reorganization; and

WHEREAS, the Lenders have indicated their willingness to provide the Facility on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

1. DEFINITIONS AND CONSTRUCTION.

1.1 Definitions. Capitalized terms used in this Agreement shall have the meanings specified therefor on Schedule 1.1.

1.2 Accounting Terms. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent as filed with the Disclosure Statement; provided, however, that (a) upon the adoption by Parent of IFRS as required by Parent's independent certified public accountants and notification by Administrative Borrower to Agent of such adoption (the "IFRS Adoption") or (b) if Administrative Borrower notifies Agent that Borrowers request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Closing Date or in the application thereof on the operation of such provision (or if Agent notifies Administrative Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such the IFRS Adoption or Accounting Change or in the application thereof, then Agent, at the direction of the Required Lenders, and Borrowers agree that they will negotiate in good faith amendments to the provisions of this Agreement that are directly affected by such IFRS Adoption or Accounting Change with the intent of having the respective positions of the Lenders and Borrowers after such IFRS Adoption or Accounting Change conform as nearly as possible to their respective positions as of the date of this Agreement and, until any such amendments have been agreed upon and agreed to by the Required Lenders, the provisions in this Agreement, including the covenants, shall be calculated in accordance with GAAP as in effect, and as applied by Parent and its Subsidiaries as if no such IFRS Adoption or Accounting Change had occurred. In the case of the IFRS Adoption or the Accounting Change, until such covenants are amended in a manner satisfactory to Parent, Agent and the Required Lenders (i) all calculations made for the purpose of determining compliance with the financial ratios and financial covenants contained herein shall be made on a basis consistent with GAAP in existence immediately prior to such adoption and (ii) financial statements delivered pursuant to Section 5.1 shall be accompanied by a reconciliation showing the adjustments made to calculate such financial ratios and financial covenants. Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared, and all financial covenants contained herein shall be calculated, without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a

Person to value its financial liabilities or Indebtedness at the fair value thereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants shall mean an opinion or report that does not include any qualification, explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit. When used herein, the term "financial statements" shall include the notes and schedules thereto. Whenever the term "Parent" or "Borrowers" is used in respect of a financial covenant or a related definition, it shall be understood to mean Parent and its Subsidiaries on a consolidated basis, unless the context clearly requires otherwise. For purposes of calculations pursuant to the terms of this Agreement, GAAP will be deemed to treat operating leases in a manner consistent with the current treatment under GAAP as in effect on the Closing Date, notwithstanding any modification or interpretive changes thereto that may occur hereafter.

1.3 Code. Any terms used in this Agreement that are defined in the Code shall be construed and defined as set forth in the Code unless otherwise defined herein and any terms used in this Agreement that are defined in the PPSA and pertaining to Collateral consisting of assets of any Canadian Loan Party (excluding any tangible assets of any Canadian Loan Party which are located in the United States of America in which case such terms shall be construed and defined as set forth in the Code) shall be construed and defined as set forth in the PPSA unless otherwise defined herein; provided, however, that to the extent that the Code is used to define any term herein and such term is defined differently in different Articles of the Code, the definition of such term contained in Article 9 of the Code shall govern.

1.4 Construction. Unless the context of this Agreement or any other Loan Document clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the terms "includes" and "including" are 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 or any other Loan Document refer to this Agreement or such other Loan Document, as the case may be, as a whole and not to any particular provision of this Agreement or such other Loan Document, as the case may be. Section, subsection, clause, schedule, and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement or in any other Loan Document to any agreement, instrument, or document shall include all alterations, amendments, changes, extensions, modifications, renewals, restatements, replacements, substitutions, joinders, and supplements, thereto and thereof, as applicable (subject to any restrictions on such alterations, amendments, changes, extensions, modifications, renewals, restatements, replacements, substitutions, joinders, and supplements set forth herein). 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. Any reference herein to any Person shall be construed to include such Person's successors and assigns. An Event of Default shall exist or continue or be continuing until such Event of Default is waived in accordance with Section 14.1 or is cured if such Event of Default is capable of being cured as permitted hereunder, in accordance with the terms of the Cure Right provided for in Section 8 hereof. Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations, the Secured Obligations (as defined in the Security Documents) or the Guarantied Obligations (as defined in the applicable Guaranty) shall mean the repayment in full in cash or immediately available funds of all of the Obligations other than unasserted indemnification Obligations; and the satisfactory provision for payment of such unasserted Obligations to the extent they may reasonably become asserted and payable. Unless otherwise indicated herein, all references to time of day refer to Eastern Standard Time or Eastern daylight saving time, as in effect in New York City on such day. For purposes of the computation of a period of time from a specified date to a later specified date, the word "from" means "from and including" and the words "to" and "until" each means "to and including"; provided, that, with respect to a computation of fees or interest payable to Agent or any

Lender, such period shall in any event consist of at least one full day. Unless the context of this Agreement or any other Loan Document clearly requires otherwise or the Required Lenders otherwise determine, amounts expressed in US Dollars at any time when used with respect to Foreign Subsidiaries or similar matters shall be deemed to mean the US Dollar Equivalent of such amounts at such time.

1.5 Schedules and Exhibits. All of the schedules and exhibits attached to this Agreement shall be deemed incorporated herein by reference.

1.6 Pro Forma and Other Calculations.

(a) Notwithstanding anything to the contrary herein and except as expressly provided in Section 7, financial ratios and tests, including Consolidated EBITDA, the Fixed Charge Coverage Ratio and any other requirement herein to determine pro forma compliance, shall be calculated in the manner prescribed by this Section 1.6. In addition, whenever a financial ratio or test is to be calculated on a pro forma basis, the reference to "four consecutive fiscal quarters" for purposes of calculating such financial ratio or test shall be deemed to be a reference to, and shall be determined based on, the most recently ended twelve (12) fiscal month period.

(b) For purposes of calculating any financial ratio or test, Specified Transactions (including, with any incurrence or repayment of any Indebtedness in connection therewith to be subject to clause (d) of this Section 1.6) that have been made (i) during the applicable period or (ii) if applicable as described in clause (a) above, subsequent to such period and prior to or simultaneously with the event for which the calculation of any such ratio is made shall be calculated on a pro forma basis assuming that all such Specified Transactions (and any increase or decrease in Consolidated EBITDA and the component financial definitions used therein attributable to any Specified Transaction) had occurred on the first day of the applicable period. If, since the beginning of any applicable period, any Person that subsequently became a Subsidiary or was merged, amalgamated or consolidated with or into Parent or any of its Subsidiaries since the beginning of such period as a result of a Specified Transaction that would have required adjustment pursuant to this Section 1.6, then such financial ratio or test shall be calculated to give pro forma effect thereto in accordance with this Section 1.6.

(c) Whenever pro forma effect is to be given to any Specified Transaction, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of Parent, which shall include any adjustments that would be required to be included in a Registration Statement on Form S-1 in accordance with Article 11 of Regulation S-X promulgated under the Securities Act; provided, however, that, without the prior written consent of the Required Lenders, no such pro forma calculations shall include any cost savings, operating expense reductions, synergies or other similar items.

(d) In the event that (x) Parent or any Subsidiary of Parent incurs (including by assumption or guarantees) or repays (including by redemption, repayment, retirement or extinguishment) any Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility unless such Indebtedness has been permanently repaid and any related commitment thereof terminated and not replaced), or (y) Parent or any Subsidiary of Parent issues, repurchases or redeems Disqualified Equity Interests, in each case, included in the calculations of any financial ratio or test, (i) during the applicable period or (ii) subsequent to the end of the applicable period and prior to or simultaneously with the event for which the calculation of any such ratio is made, then such financial ratio or test shall be calculated giving pro forma effect to such incurrence or repayment of Indebtedness, or such issuance or redemption of Disqualified Equity Interests, in each case to the extent required, as if the same had occurred on the last day of the applicable period (except in the case of Consolidated EBITDA and the Fixed Charge Coverage Ratio (or similar ratio), in which case such incurrence, assumption, guarantee,

redemption, repayment, retirement or extinguishment of Indebtedness or such issuance, repurchase or redemption of Disqualified Equity Interests will be given effect, as if the same had occurred on the first day of the applicable period). Notwithstanding the foregoing or any other provision contained in the Loan Documents, with respect to the repayment or redemption of Indebtedness with the proceeds of an Excluded Issuance, such repayment or redemption shall be disregarded for all purposes under this Agreement, including the calculation of any financial covenants or ratios and, for the avoidance of doubt, Sections 7.1 and 7.2, until Parent has delivered the financial information required under Section 5.1 for the first full fiscal quarter of Parent ending after the fiscal quarter in which such repayment or redemption was made.

(e) If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the date of the event for which the calculation of Consolidated EBITDA or the Fixed Charge Coverage Ratio is made had been the applicable rate for the entire period (taking into account any interest hedging arrangements applicable to such Indebtedness permitted by this Agreement). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a Responsible Officer of Parent to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a Eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as Parent or its Subsidiary may designate.

2. LOANS AND TERMS OF PAYMENT.

2.1 Loan.

(a) Subject to the terms and conditions of this Agreement (including, without limitation, Sections 3.1, 3.2 and 3.3) on the Closing Date, each Lender with a Commitment agrees (severally, not jointly or jointly and severally) to make a term loan (collectively with any Additional Loans made pursuant to Section 2.9, the "Loans") to Borrowers in US Dollars in an amount equal to such Lender's share of the Commitments as set forth on Schedule C-1.

(b) Each Loan made by each Lender shall be evidenced by this Agreement and, if requested by a Lender, a Note payable to such Lender or its registered assigns in the original principal amount of such Loan.

(c) The outstanding unpaid principal balance of, and all accrued and unpaid interest on, the Loan and all other outstanding Obligations shall be due and payable on the earlier of (i) the Maturity Date and (ii) the date of the acceleration of the Loan in accordance with the terms hereof. Any principal amount of the Loan that is repaid or prepaid may not be re-borrowed. All principal of, interest on, and other amounts payable in respect of the Loan, including any premiums, fees, expenses or other additional amounts owed, shall constitute Obligations hereunder.

2.2 Payments; Reductions of Commitments; Prepayments.

(a) **Payments by Borrowers**.

(i) Except as otherwise expressly provided herein, all payments by any Borrower shall be made to Agent's Account for the account of the Lender Group and shall be made in immediately available funds, no later than 11:00 a.m. (New York time) on the date specified herein. Any payment received by Agent later than 11:00 a.m. (New York time) shall be deemed to have been received on the following

Business Day and any applicable interest or fee shall continue to accrue until such following Business Day.

(ii) Unless Agent receives notice from Administrative Borrower prior to the date on which any payment is due to the Lenders that Borrowers will not make such payment in full as and when required, Agent may assume that Borrowers have made (or will make) such payment in full to Agent on such date in immediately available funds and Agent may (but shall not be so required), in reliance upon such assumption, distribute to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers do not make such payment in full to Agent on the date when due, each Lender severally shall repay to Agent on demand such amount distributed to such Lender, together with interest thereon at the interest rate then applicable to the Loan for each day from the date such amount is distributed to such Lender until the date repaid.

(b) **Apportionment and Application**.

(i) So long as no Application Event has occurred and is continuing and except as otherwise provided herein, including with respect to Defaulting Lenders, and subject to Section 17.18 of this Agreement, all principal and interest payments received by Agent shall be apportioned ratably among the Lenders (according to the unpaid principal balance of the Obligations to which such payments relate held by each Lender) entitled to such payments and all payments of fees and expenses received by Agent (other than fees or expenses that are for Agent's separate account) shall be apportioned ratably among the Lenders according to their Pro Rata Share. All payments to be made hereunder by Borrowers shall be remitted to Agent and all such payments, and all proceeds of Collateral received by Agent, shall be applied, so long as no Application Event has occurred and is continuing, to repay the outstanding balance of the Loan, and, thereafter, to Borrowers (to be wired to a Designated Account) or such other Person entitled thereto under applicable law (subject to Sections 2.2(b)(v) and 2.2(e)).

(ii) At any time that an Application Event has occurred and is continuing and except as otherwise provided herein with respect to Defaulting Lenders and subject to Section 17.18 of this Agreement, all payments remitted to Agent in respect of the Obligations and all proceeds of Collateral received by Agent shall be applied as follows:

(A) first, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to Agent under the Loan Documents, until paid in full,

(B) second, to pay any fees then due to Agent under the Loan Documents until paid in full,

(C) third, ratably, to pay any Lender Group Expenses (including cost or expense reimbursements) or indemnities then due to any of the Lenders under the Loan Documents, until paid in full,

(D) fourth, ratably, to pay any fees (including any fees, premiums and penalties specified in Section 2.6) then due to any of the Lenders under the Loan Documents until paid in full,

(E) fifth, ratably, to pay interest due in respect of the Loan until paid in full,

(F) sixth, to Agent, for the ratable account of the Lenders, to pay the principal of the Loan until paid in full,

(G) seventh, to pay any other Obligations (other than Obligations owed to Defaulting Lenders) until paid in full,

(H) eighth, ratably to pay any Obligations owed to Defaulting Lenders,

(I) ninth, to be held by Agent as security for any unasserted or contingent obligations that may reasonably be expected to become due, and

(J) tenth, to Borrowers or such other Person entitled thereto under applicable law.

(iii) In each instance, so long as no Application Event has occurred and is continuing, Section 2.2(b)(i) shall not apply to any payment made by any Borrower to Agent and specified by such Borrower to be for the payment of specific Obligations then due and payable (or prepayable) under any provision of this Agreement or any other Loan Document.

(iv) For purposes of Section 2.2(b)(ii), "paid in full" of a type of Obligation means payment in cash or immediately available funds of all amounts owing on account of such type of Obligation, including interest accrued after the commencement of any Insolvency Proceeding, default interest, interest on interest, and expense reimbursements, whether or not any of the foregoing would be or is allowed or disallowed in whole or in part in any Insolvency Proceeding.

(v) In the event of a direct conflict between the priority provisions of this Section 2.2 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other, subject to Section 17.18 of this Agreement. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, then the terms and provisions of this Section 2.2 shall control and govern, subject to Section 17.18 of this Agreement.

(c) **Reduction of Commitments**. The Commitments of each Lender shall terminate upon the making of such Lender's portion of the Loan on the Closing Date. Notwithstanding the foregoing, all of the Commitments shall automatically terminate at 5:00 p.m., New York time, on [ ] [ ], [ ] if the Closing Date shall have not occurred by such time.

(d) **Optional Prepayments**.

(i) **Loan**. The Borrowers may, at any time and from time to time, upon written notice delivered to Agent by 11:00 a.m., New York City time, not less than five (5) Business Days prior to the date of such prepayment (or such shorter period as the Required Lenders may agree to in their sole discretion), prepay the principal of the Loan, in whole or in part. Each prepayment made pursuant to this Section 2.2(d)(i) shall be (1) accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and the payment of any premiums or penalties required by Section 2.6, (2) in a minimum amount of $500,000, or the remaining balance of the Loan, if less, and, for the avoidance of doubt, and (3) accompanied by the Applicable Prepayment Premium. For the avoidance of doubt, the amount which the Borrowers pay to Agent pursuant to this Sections 2.2(d) shall be required to include an amount equal to the Applicable Prepayment Premium.

(ii) **Optional Prepayment Notice**. Each notice of a prepayment pursuant to this Section 2.2(d) shall specify the prepayment date and the principal amount of the Loan (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrowers to prepay the Loan by the amount stated therein on the date stated therein. All prepayments under this Section 2.2(d) shall be subject to Section 2.6.

(e) **Mandatory Prepayments**.

(i) **Dispositions**. Within five (5) Business Days of the date of receipt by any Loan Party or any of its Subsidiaries of the Net Cash Proceeds of any voluntary or involuntary sale, Casualty Event or other form of disposition by any Loan Party or any of its Subsidiaries of assets (excluding (x) IP License Proceeds that otherwise are subject to prepayment under Section 2.2(e)(v) or sales or dispositions which qualify as Permitted Dispositions under clauses (a), (b), (c), (e), (i) (except to the extent constituting an IP License), (j), (m) or (n) (to the extent relating to Permitted Investments of the type described under clause (a) of the definition thereof) of the definition of Permitted Dispositions and (y) any single sale or disposition (including any Casualty Event) or series of related sales or dispositions for which the aggregate amount of Net Cash Proceeds received from such sales or dispositions or series of related sales or dispositions does not exceed an aggregate amount of $600,000 from the Closing Date), Borrowers shall prepay the outstanding Obligations and apply such proceeds in accordance with Section 2.2(f) in an amount equal to 100% of such Net Cash Proceeds (including in connection with a Casualty Event) received by such Person; provided, that on or prior to the date which such prepayment is payable, the Administrative Borrower may deliver to the Agent a Reinvestment Notice so long as at such time, there is no Default or Event of Default that has occurred and is continuing, and the Administrative Borrower shall have deposited such proceeds otherwise required to be prepaid in a Designated Account. In the event that the Administrative Borrower timely shall have delivered a Reinvestment Notice and deposited the applicable proceeds in accordance with the foregoing, then (x) the Borrowers shall not be required to make a prepayment of the amount subject to the Reinvestment Notice, but may instead reinvest, within sixty (60) days or if any Loan Party shall have entered into a binding commitment to reinvest such proceeds within sixty (60) days such date may be extended by an additional sixty (60) days, to the extent of the amount subject to such commitment, after delivery of such Reinvestment Notice, an amount not to exceed the aggregate amount of $6,000,000 from the Closing Date for reinvestment in one or more assets used or useful in the business of the Parent and its Subsidiaries (other than cash or Cash Equivalents) (provided that, if the Net Cash Proceeds were received on account of Collateral, then any reinvestment must be in assets that constitute Collateral and if the Net Cash Proceeds were received on account of an event applicable to a Loan Party, then any reinvestment may be only by a Loan Party) and (y) on any Reinvestment Prepayment Date an amount equal to the amount of proceeds subject to the Reinvestment Notice, to the extent not reinvested in accordance with the terms contained herein, shall be applied toward the prepayment of the Obligations in accordance with Section 2.2(f), less the amount equal to the Applicable Prepayment Premium that was in effect on the date when the proceeds were first deposited in the Designated Account. Nothing contained in this Section 2.2(e)(i) shall permit any Loan Party or any of its Subsidiaries to sell or otherwise dispose of any assets other than in accordance with Section 6.5.

(ii) **Extraordinary Receipts**. Within five (5) Business Days of the date of receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts, Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of such Extraordinary Receipts, net of any reasonable and documented expenses directly incurred in collecting such Extraordinary Receipts.

(iii) **Indebtedness and Equity Issuances**. Within five (5) Business Days of the date of incurrence or issuance by any Loan Party or any of its Subsidiaries of any Indebtedness (other than Permitted Indebtedness) or the issuance of Equity Interests (other than (i) Net Cash Proceeds used to provide a Cure Amount, (ii) in the event that all or a portion of the Additional Permitted Holder Amount is funded through equity contributions rather than pursuant to this Agreement, such Additional Permitted Holder Amount or (iii) any other Excluded Issuance), Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 100% of the Net Cash Proceeds received by such Person in connection with such incurrence or issuance. The provisions of this Section 2.2(e)(iii) shall not

be deemed to be implied consent to any such incurrence or issuance otherwise prohibited by the terms of this Agreement.

(iv) **Change of Control**. Borrowers shall immediately prepay the outstanding Obligations in full in the event that a Change of Control shall have occurred.

(v) **IP License Proceeds**. Within five (5) Business Days of the date of receipt by Parent or any of its Subsidiaries of any IP License Proceeds, the Borrowers shall prepay the Obligations in accordance with Section 2.2(f) in an amount equal to 75% of such IP License Proceeds; provided that (x) such percentage shall be reduced to 50% if the Consolidated EBITDA of the Parent and its Subsidiaries for the last twelve month period for which financial statements have been delivered in accordance with Section 5.1 is greater than $28,000,000 and (y) no prepayment shall be required unless the aggregate amount of all such IP License Proceeds exceeds $12,000,000 following the Closing Date; provided, further, that all IP License Proceeds shall be deposited into the IP Proceeds Account until the Borrowers have determined, in the ordinary conduct of the Loan Parties' business, to use such proceeds subject to the requirements of Section 6.22(b) of this Agreement. For the avoidance of doubt, IP License Proceeds subject to prepayment may be reduced by an amount equal to the Applicable Prepayment Premium, which amount shall not be required to be deposited into the IP Proceeds Account but, instead, shall be required to be paid to the Agent in accordance with Section 2.6(b) of this Agreement.

(vi) **Waivable Mandatory Prepayments**. Anything contained herein to the contrary notwithstanding, in the event Borrowers are required to make any mandatory prepayment (a "Waivable Mandatory Prepayment") of the Loan pursuant to this Section 2.2(e), not less than five (5) Business Days prior to the date (the "Required Prepayment Date") on which Borrowers are required to make such Waivable Mandatory Prepayment, Administrative Borrower shall notify Agent in writing of the amount of such prepayment, and Agent will promptly thereafter notify each Lender of the amount of such Lender's Pro Rata Share of such Waivable Mandatory Prepayment and such Lender's option to refuse such amount. Each such Lender may exercise such option by giving written notice to Administrative Borrower and Agent of its election to do so on or before the first Business Day prior to the Required Prepayment Date (it being understood that any Lender that does not notify Administrative Borrower and Agent in writing of its election to exercise such option on or before the first Business Day prior to the Required Prepayment Date shall be deemed to have elected, as of such date, not to exercise such option). On the Required Prepayment Date, Borrowers shall pay to Agent the amount of the Waivable Mandatory Prepayment, which amount shall be applied (A) in an amount equal to that portion of the Waivable Mandatory Prepayment payable to those Lenders that have elected not to exercise such option, to prepay the Loans of such Lenders (which prepayment shall be applied to prepay the outstanding principal amount of the Obligations in accordance with Section 2.2(f)) and (B) to the extent of any excess, to Borrowers for working capital and general corporate purposes; provided, however, that any waiver of any prepayment shall not constitute a waiver of any other applicable provisions set forth in any Loan Document.

(f) **Mandatory Prepayment Notice; Application of Payments**.

(i) Each prepayment required pursuant to Section 2.2(e) shall be preceded by irrevocable written notice delivered to Agent by 11:00 A.M., New York City time, not less than three (3) Business Days prior to the date of such prepayment, specifying the underlying reason for the mandatory prepayment and the amount of the same (it being understood that failure to deliver such notice does not modify the prepayment obligations set forth in Section 2.2(e)). All prepayments under Section 2.2(d) or 2.2(e) shall be (1) accompanied by the payment of accrued interest to the date of such payment on the amount prepaid and the payment of any premiums or penalties required by Section 2.6(b), (2) accompanied by the Applicable Prepayment Premium, as applicable (other than in the case of prepayments resulting from a Casualty Event) and (3) subject to Section 2.6(c). For the avoidance of

doubt, the amount which the Borrowers pay to Agent pursuant to this Section 2.2(f) shall be deemed to include an amount equal to the Applicable Prepayment Premium.

(ii) Each prepayment pursuant to Section 2.2(d) or Section 2.2(e) shall (A) so long as no Application Event shall have occurred and be continuing, be applied ratably to the outstanding principal amount of the remaining Loan until paid in full, and (B) if an Application Event shall have occurred and be continuing, be applied in the manner set forth in Section 2.2(b)(ii).

(iii) Notwithstanding anything to the contrary herein, no mandatory prepayment shall be required to be made pursuant to Section 2.2(e) until the Discharge of Senior Priority Obligations has occurred.

2.3 Interest Rate: Rate, Payments, and Calculations.

(a) **Interest**. Except as provided in Section 2.3(b) and Section 2.3(c), all Loans and other unpaid Obligations shall bear interest at a rate per annum equal to 8.00%. Such interest shall be capitalized, compounded and added to the unpaid principal amount of the Loans on the applicable interest payment date set forth in Section 2.3(c)(i); provided that, commencing on the second anniversary of the Closing Date and thereafter, such interest may be paid in cash at the option of the Borrower; provided, further, that any interest required to be paid pursuant to Section 2.3(b), 2.3(c)(i)(y) or 2.3(c)(i)(z) shall be required to be paid in cash, to the extent permitted by the Senior Loan Documents and the Term Loan Documents. Amounts representing capitalized interest paid in kind shall be treated as Loans for all purposes of the Loan Documents and shall bear interest in accordance with this Section 2.3. The obligation of the Borrowers to pay all such capitalized interest shall be automatically evidenced by any Notes issued to the Lenders.

(b) **Default Rate**. Upon the occurrence and during the continuation of an Event of Default and subject to all applicable laws, all Loans and all other unpaid Obligations shall bear interest at a per annum rate equal to two (2) percentage points above the per annum rates otherwise applicable thereto, which interest shall be payable in cash (to the extent permitted by the Senior Loan Documents and the Term Loan Documents) on demand.

(c) **Payment**. Except as otherwise provided herein, (i) all interest payable hereunder or under any of the other Loan Documents shall be due and payable in arrears (x) on each Semiannual Payment Date, (y) on the date of any repayment or prepayment (on the amount repaid or prepaid) of any Loan, and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, and (ii) all fees payable hereunder or under any of the other Loan Documents, and all costs and expenses payable hereunder or under any of the other Loan Documents shall be due and payable, in arrears, on the first Business Day of each month at any time that Obligations are outstanding.

(d) **Computation**. All interest shall be calculated on the basis of a three hundred sixty (360) day year and actual days elapsed. Each interest rate which is calculated under this Agreement on any basis other than the actual number of days in a calendar year (the "deemed interest period") is, for the purposes of the Interest Act (Canada), equivalent to a yearly rate calculated by dividing such interest rate by the actual number of days in the deemed interest period, then multiplying such result by the actual number of days in the calendar year (365 or 366).

(e) **Intent to Limit Charges to Maximum Lawful Rate**.

(i) In no event shall the interest rate or rates payable under this Agreement, plus any other amounts paid in connection herewith, exceed the highest rate permissible under any law that a court of

competent jurisdiction shall, in a final determination, deem applicable. Each Borrower and the Lender Group, in executing and delivering this Agreement, intend legally to agree upon the rate or rates of interest and manner of payment stated within it; provided, that, anything contained herein to the contrary notwithstanding, if such rate or rates of interest or manner of payment exceeds the maximum allowable under applicable law, then, ipso facto, as of the date of this Agreement, Borrowers are and shall be liable only for the payment of such maximum amount as is allowed by law, and payment received from Borrowers in excess of such legal maximum, whenever received, shall be applied to reduce the principal balance of the Obligations to the extent of such excess.

(ii) In no event shall the aggregate "interest" (as defined in Section 347 (the "Criminal Code Section") of the *Criminal Code* (Canada)), payable to any member of the Lender Group under this Agreement or any other Loan Document exceed the effective annual rate of interest lawfully permitted under the Criminal Code Section on the "credit advanced" (as defined in such section) under this Agreement or any other Loan Document. Further, if any payment, collection or demand pursuant to this Agreement or any other Loan Document in respect of such "interest" is determined to be contrary to the provisions of the Criminal Code Section, such payment, collection, or demand shall be deemed to have been made by mutual mistake of the affected Borrower and the affected member of the Lender Group and such "interest" shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by the Criminal Code Section to result in a receipt by such member of the Lender Group of interest at a rate not in contravention of the Criminal Code Section, such adjustment to be effected, to the extent necessary, as follows:

(A) firstly, by reducing the amounts or rates of interest required to be paid to that member of the Lender Group; and

(B) then, by reducing any fees, charges, expenses and other amounts required to be paid to the affected member of the Lender Group which would constitute "interest",

it being understood that in the event of any such reduction, the amount by which the Obligations are reduced shall be deemed to be an Obligation of the non-Canadian Loan Parties.

(iii) Notwithstanding the above terms of this Section 2.3(e), and after giving effect to all such adjustments, if any member of the Lender Group shall have received an amount in excess of the maximum permitted by the Criminal Code Section, then the affected Borrower shall be entitled to obtain reimbursement from that member of the Lender Group in an amount equal to such excess. For greater certainty, to the extent that any charges, fees or expenses are held to be within such meaning of "interest", such amounts shall be pro-rated over the period of time to which they relate or otherwise over the period from the date hereof to the date on which all of the Obligations are irrevocably repaid.

2.4 Crediting Payments; Clearance Charge. The receipt of any payment item by Agent shall not be considered a payment on account unless such payment item is a wire transfer of immediately available federal funds made to Agent's Account or unless and until such payment item is honored when presented for payment. Should any payment item not be honored when presented for payment, then Borrowers shall be deemed not to have made such payment and interest shall be calculated accordingly. Anything to the contrary contained herein notwithstanding, any payment item shall be deemed received by Agent only if it is received into Agent's Account on a Business Day on or before 11:00 a.m. (New York time). If any payment item is received into Agent's Account on a non-Business Day or after 11:00 a.m. (New York time) on a Business Day, it shall be deemed to have been received by Agent as of the opening of business on the immediately following Business Day.

2.5 Maintenance of Loan Account; Statements of Obligations. Agent shall maintain an account on its books in the name of Borrowers (the "Loan Account") on which Borrowers will be charged with all Loans made by the Lenders to Borrowers or for Borrowers' account and with all other payment Obligations hereunder or under the other Loan Documents, including, accrued interest, fees and expenses, and Lender Group Expenses. In accordance with Section 2.4, the Loan Account will be credited with all payments received by Agent from Borrowers or for Borrowers' account. Agent shall make available to Borrowers quarterly statements regarding the Loan Account, including the principal amount of the Loan, interest accrued hereunder, fees accrued or charged hereunder or under the other Loan Documents, and a summary itemization of all charges and expenses constituting Lender Group Expenses accrued hereunder or under the other Loan Documents, and each such statement, absent manifest error, shall be conclusively presumed to be correct and accurate and constitute an account stated between Borrowers and the Lender Group unless, within thirty (30) days after Agent first makes such a statement available to Borrowers, the Administrative Borrower shall deliver to Agent written objection thereto describing the error or errors contained in such statement. The Borrowers shall continue to have such obligations notwithstanding any failure by the Agent to maintain the Loan Account.

2.6 Fees; Applicable Prepayment Premium and Certain Losses.

(a) **Agent Fees**. Borrowers shall pay to Agent for the account of the applicable Person, as and when due and payable under the terms of the Fee Letter, the fees and amounts set forth in the Fee Letter. Such fees and amounts shall be fully earned when due and payable and shall not be refundable under any circumstances.

(b) **Prepayment Premium**. If Borrowers have (i) sent a notice of voluntary prepayment or repayment of all or a portion of the Loans pursuant to Section 2.2(d) or shall otherwise make any voluntary prepayment or repayment of all or a portion of the Loans, (ii) terminated this Agreement pursuant to Section 3.4, (iii) sent a notice of mandatory repayment of the Loans pursuant to Section 2.2(e) (except for a mandatory prepayment resulting from a Casualty Event), or (iv) shall otherwise make any mandatory prepayment or repayment of the Loans, including, without limitation, in the event of acceleration of the Loans (whether voluntarily or involuntarily, and, including whether pursuant to the commencement of an Insolvency Proceeding or otherwise), then on the date of repayment, prepayment, or termination (or the date when repayment or prepayment should have occurred or deemed termination occurred or the date when the Borrowers shall have deposited, or shall have been required to deposit, proceeds in a Designated Account), the amount which the Borrowers are obligated to pay to the Agent (or deposit in a Designated Account) shall be deemed to have been reduced by an amount equal to the Applicable Prepayment Premium as then in effect, with such amount equal to the Applicable Prepayment Premium to be paid to the Agent for the ratable benefit of the Lenders. Calculations of the Applicable Prepayment Premium shall be made by the Borrowers; provided that the Agent shall have the right to review and adjust such calculations. For the avoidance of doubt, the Applicable Prepayment Premium shall be due and owing to the Lenders, including in the event of acceleration (whether voluntary or involuntary and including whether upon a Chapter 11 or CCAA filing or otherwise) of the Loans. Amounts due in connection with any Applicable Prepayment Premium shall constitute Obligations for all purposes hereunder.

(c) **Certain Losses**. In the event of the failure to prepay any Loan on the date specified in any notice delivered pursuant to Section 2.2, then, in any such event, the Borrowers shall compensate each Lender for the loss, cost and expense (but excluding consequential damages and loss of anticipated profits), if any, attributable to such event. A certificate of any Lender setting forth in reasonable detail any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.6(c) shall be delivered to the Administrative Borrower (with a copy to the Agent) and shall be conclusive and

binding absent manifest error. The Borrowers shall pay such Lender the amount shown as due on any such certificate within five (5) days after receipt thereof.

2.7 Capital Requirements.

(a) If, after the date hereof, any Lender determines that (i) the adoption of or change in any law, rule, regulation or guideline regarding capital or reserve requirements for banks or bank holding companies, or any change in the interpretation, implementation, or application thereof by any Governmental Authority charged with the administration thereof, or (ii) compliance by such Lender or its parent bank holding company with any guideline, request or directive of any such entity regarding capital adequacy (whether or not having the force of law), has the effect of reducing the return on such Lender's or such holding company's capital as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such holding company could have achieved but for such adoption, change, or compliance (taking into consideration such Lender's or such holding company's then existing policies with respect to capital adequacy and assuming the full utilization of such entity's capital) by any amount deemed by such Lender to be material, then such Lender may notify Administrative Borrower and Agent thereof. Following receipt of such notice, Borrowers agree to pay such Lender on demand the amount of such reduction of return of capital as and when such reduction is determined, payable within thirty (30) days after presentation by such Lender of a statement in the amount and setting forth in reasonable detail such Lender's calculation thereof and the assumptions upon which such calculation was based (which statement shall be deemed true and correct absent manifest error). In determining such amount, such Lender may use any reasonable averaging and attribution methods. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.7 shall not constitute a waiver of such Lender's right to demand such compensation; provided, that, (A) no Borrower shall be required to compensate a Lender pursuant to this Section 2.7(a) for any reductions in return incurred more than one hundred and eighty (180) days prior to the date that such Lender notifies Administrative Borrower of such law, rule, regulation or guideline giving rise to such reductions and of such Lender's intention to claim compensation therefor and (B) if such claim arises by reason of the adoption of or change in any law, rule, regulation or guideline that is retroactive, then the one hundred and eighty (180) day period referred to above shall be extended to include the period of retroactive effect thereof. For purposes of this Section 2.7(a), the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Basel Committee on Banking Supervision (of any successor or similar authority), the Bank for International Settlements and (in each case) all rules, regulations, orders, requests, guidelines or directives in connection therewith are deemed to have been enacted and become effective after the date of this Agreement.

(b) If any Lender requests additional or increased costs referred to in Section 2.6(c) or amounts under Section 2.7(a) or sends a notice relative to changed circumstances (any such Lender, an "Affected Lender"), then such Affected Lender shall use reasonable efforts to promptly designate a different one of its lending offices or to assign its rights and obligations hereunder to another of its offices or branches, if (i) in the reasonable judgment of such Affected Lender, such designation or assignment would eliminate or reduce amounts payable pursuant to Section 2.6(c) or 2.7(a), as applicable, and (ii) in the reasonable judgment of such Affected Lender, such designation or assignment would not subject it to any material unreimbursed cost or expense and would not otherwise be materially disadvantageous to it. Borrowers agree to pay all reasonable out-of-pocket costs and expenses incurred by such Affected Lender in connection with any such designation or assignment. If, after such reasonable efforts, such Affected Lender does not so designate a different one of its lending offices or assign its rights to another of its offices or branches so as to eliminate Borrowers' obligation to pay any future amounts to such Affected Lender pursuant to Section 2.6(c) or 2.7(a), as applicable, then Borrowers (without prejudice to any amounts then due to such Affected Lender under Section 2.6(c) or 2.7(a), as applicable) may, unless prior to the effective date of any such assignment the

Affected Lender withdraws its request for such additional amounts under Section 2.6(c) or 2.7(a), as applicable, may seek a substitute Lender acceptable to the Required Lenders to purchase the Obligations owed to such Affected Lender and such Affected Lender's Commitments hereunder (a "Replacement Lender"), and if such Replacement Lender agrees to such purchase, such Affected Lender shall assign to the Replacement Lender its Obligations and Commitments, pursuant to an Assignment and Acceptance Agreement, and upon such purchase by the Replacement Lender, such Replacement Lender shall be deemed to be a "Lender" for purposes of this Agreement and such Affected Lender shall cease to be a "Lender" for purposes of this Agreement.

2.8 Joint and Several Liability of Borrowers.

(a) Each Borrower is accepting joint and several liability for the Obligations hereunder and under the other Loan Documents in consideration of the financial accommodations provided or to be provided by the Lender Group under this Agreement, for the mutual benefit, directly and indirectly, of each Borrower and in consideration of the undertakings of the other Borrowers to accept joint and several liability for the Obligations. Notwithstanding any other provision contained herein or in any other Loan Document, if a "secured creditor" (as that term is defined under the BIA) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then each Borrower's Obligations, to the extent such Obligations are secured, shall be several obligations and not joint or joint and several obligations.

(b) Each Borrower, jointly and severally, hereby irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with each other Borrower, with respect to the payment and performance of all of the Obligations (including any Obligations arising under this Section 2.8), it being the intention of the parties hereto that all the Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them.

(c) If and to the extent that any Borrower shall fail to make any payment with respect to any of the Obligations as and when due or to perform any of the Obligations in accordance with the terms thereof, then in each such event the other Borrowers will make such payment with respect to, or perform, such Obligation until such time as all of the Obligations are paid in full.

(d) The Obligations of each Borrower under the provisions of this Section 2.8 constitute the absolute and unconditional, full recourse Obligations of each Borrower enforceable against each Borrower to the full extent of its properties and assets, irrespective of the validity, regularity or enforceability of the provisions of this Agreement (other than this Section 2.8(d)) or any other circumstances whatsoever. Further, each Borrower waives each of the following, to the fullest extent permitted by applicable law, (1) any defense based upon (a) the lack of authority of any Borrower; (b) the unenforceability, invalidity, illegality or extinguishment of all or any part of the Obligations, or any security or other guarantee for the Obligations or any failure of the Agent or any Lender to take proper care or act in a commercially reasonable manner in respect of any security for the Obligations or any collateral subject to the security, including in respect of any disposition of the Collateral or any set-off of any of the Borrowers' bank deposits against the Obligations; (c) any act or omission of any of the Borrowers or any other person, including the Agent, that directly or indirectly results in the discharge or release of any of the Borrowers or any other Person or any of the Obligations or any security for the Obligations other than payment in full in cash of the Obligations; or (d) the Agent's present or future method of dealing with any of the Borrowers or any Guarantor or any security (or any collateral subject to the security) or other guarantee for the Obligations, (2) any right (whether now or hereafter existing) to require the Agent or a Lender, as a condition to the enforcement of this Agreement (a) to accelerate the Obligations or proceed and exhaust any recourse against any of the Borrowers or any other Person; (b) to realize on any security that it holds; (c) to marshall the assets of any of the Borrowers or any of

the Guarantors; or (d) to pursue any other remedy that each Borrower or Guarantor may not be able to pursue itself and that might limit or reduce such Borrower's or such Guarantor's burden, (3) presentment, demand, protest and notice of any kind including, without limitation, notices of default, (4) any claims, set-off or other rights that any Borrower or any Guarantor may have against the Agent or any of the Lenders, whether or not related to the transactions contemplated by this Agreement or any of the other Loan Documents, (5) all suretyship defenses and rights of every nature otherwise available under any jurisdiction, including the benefit of discussion and of division, and (6) all other rights and defenses (legal or equitable) the assertion or exercise of which would in any way diminish the liability of any of the Borrowers under this joint and several liability obligation or otherwise under this Agreement other than the payment in full in cash of the Obligations.

(e) Except as otherwise expressly provided in this Agreement, each Borrower hereby waives notice of acceptance of its joint and several liability, notice of any Loans issued under or pursuant to this Agreement, notice of the occurrence of any Default, Event of Default, or of any demand for any payment under this Agreement, notice of any action at any time taken or omitted by Agent or Lenders under or in respect of any of the Obligations, any requirement of diligence or to mitigate damages and, generally, to the extent permitted by applicable law, all demands, notices and other formalities of every kind in connection with this Agreement (except as otherwise provided in this Agreement). Each Borrower hereby assents to, and waives notice of, any extension or postponement of the time for the payment of any of the Obligations, the acceptance of any payment of any of the Obligations, the acceptance of any partial payment thereon, any waiver, consent or other action or acquiescence by Agent or Lenders at any time or times in respect of any default by any Borrower in the performance or satisfaction of any term, covenant, condition or provision of this Agreement, any and all other indulgences whatsoever by Agent or Lenders in respect of any of the Obligations, and the taking, addition, substitution or release, in whole or in part, at any time or times, of any security for any of the Obligations or the addition, substitution or release, in whole or in part, of any Borrower. Without limiting the generality of the foregoing, each Borrower assents to any other action or delay in acting or failure to act on the part of any Agent or Lender with respect to the failure by any Borrower to comply with any of its respective Obligations, including, without limitation, any failure strictly or diligently to assert any right or to pursue any remedy or to comply fully with applicable laws or regulations thereunder, which might, but for the provisions of this Section 2.8 afford grounds for terminating, discharging or relieving any Borrower, in whole or in part, from any of its Obligations under this Section 2.8, it being the intention of each Borrower that, so long as any of the Obligations hereunder remain unsatisfied, the Obligations of each Borrower under this Section 2.8 shall not be discharged except by performance and then only to the extent of such performance. The Obligations of each Borrower under this Section 2.8 shall not be diminished or rendered unenforceable by any bankruptcy, insolvency, winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding with respect to any other Borrower or any Agent or Lender.

(f) Each Borrower represents and warrants to Agent and Lenders that such Borrower is currently informed of the financial condition of each other Loan Party and of all other circumstances which a diligent inquiry would reveal and which bear upon the risk of nonpayment of the Obligations. Each Borrower further represents and warrants to Agent and Lenders that such Borrower has read and understands the terms and conditions of the Loan Documents. Each Borrower hereby covenants that such Borrower will continue to keep informed of the other Loan Parties' financial condition and of all other circumstances which bear upon the risk of nonpayment or nonperformance of the Obligations.

(g) The provisions of this Section 2.8 are made for the benefit of Agent, each member of the Lender Group and their respective successors and assigns, and may be enforced by it or them from time to time against any or all Borrowers as often as occasion therefor may arise and without requirement on the part of Agent, any member of the Lender Group, or any of their successors or

assigns first to marshal any of its or their claims or to exercise any of its or their rights against any Borrower or to exhaust any remedies available to it or them against any Borrower or to resort to any other source or means of obtaining payment of any of the Obligations hereunder or to elect any other remedy. The provisions of this Section 2.8 shall remain in effect until all of the Obligations shall have been paid in full or otherwise fully satisfied. If at any time, any payment, or any part thereof, made in respect of any of the Obligations, is rescinded or must otherwise be restored or returned by Agent or any Lender upon or in connection with the insolvency, bankruptcy or reorganization of any Borrower, or otherwise, the provisions of this Section 2.8 will forthwith be reinstated in effect, as though such payment had not been made.

(h) Each Borrower hereby agrees that it will not enforce any of its rights of contribution or subrogation against any other Borrower with respect to any liability incurred by it hereunder or under any of the other Loan Documents, any payments made by it to Agent or Lenders with respect to any of the Obligations or any collateral security therefor until such time as all of the Obligations have been paid in full in cash. Any claim which any Borrower may have against any other Borrower with respect to any payments to any Agent or any member of the Lender Group hereunder are hereby expressly made subordinate and junior in right of payment, without limitation as to any increases in the Obligations arising hereunder or thereunder, to the prior payment in full in cash of the Obligations and, in the event of any insolvency, bankruptcy, receivership, liquidation, reorganization, winding up, arrangement or other similar proceeding under the laws of any jurisdiction relating to any Borrower, its debts or its assets, whether voluntary or involuntary, all such Obligations shall be paid in full in cash before any payment or distribution of any character, whether in cash, securities or other property, shall be made to any other Borrower therefor.

(i) Each Borrower hereby agrees that after the occurrence and during the continuance of any Default or Event of Default, such Borrower will not demand, sue for or otherwise attempt to collect any indebtedness of any other Borrower owing to such Borrower until the Obligations shall have been paid in full in cash. If, notwithstanding the foregoing sentence, such Borrower shall collect, enforce or receive any amounts in respect of such indebtedness, such amounts shall be collected, enforced and received by such Borrower as trustee for Agent, and such Borrower shall deliver any such amounts to Agent for application to the Obligations in accordance with Section 2.2(f).

2.9 Additional Loans.

(a) **Request for Additional Loans**. Subject to the terms and conditions of this Section 2.9, upon notice to the Agent (which shall promptly notify the Lenders), the Borrowers may from time to time request one or more additional term loans be made by an amount in the aggregate (for all such additional term loans) not exceeding the Additional Permitted Holder Amount (any such additional term loan, an "Additional Loan"); provided that any such request for an Additional Loan shall be in a minimum amount of $1,000,000. No consent of any Lender (other than Lenders providing any Additional Loans) shall be required for any Additional Loans made under this Section 2.9.

(b) **Provision of Additional Loans**. The Borrower may (i) request one or more existing Lenders to provide Additional Loans (it being understood and agreed that no existing Lender shall be required to provide an Additional Loan) and/or (ii) subject to the approval of the Agent (such approval not to be unreasonably withheld or delayed), invite one or more additional Eligible Transferees to provide an Additional Loan and become a Lender pursuant to an increase joinder agreement in form and substance reasonably satisfactory to the Agent (each such Eligible Transferee that provides an Additional Loan, an "Additional Lender") by executing and delivering to Agent a written notice (an "Additional Loan Request Notice") specifying (1) the amount of Additional Loans, (2) the applicable borrowing date, (3) the applicable maturity date for such Additional Loans, (4) the applicable

amortization schedule for such Additional Loans and (5) the interest rate for such Additional Loans, provided that (x) all terms and conditions of the Additional Loans shall be mutually agreed by the participating Lenders and be in compliance with this Agreement and the Intercreditor Agreement, and (y) the then-existing Lenders hereunder shall have a ten (10) Business Day right of first refusal (commencing from the date of their receipt of the applicable Additional Loan Request Notice in accordance with the notice provisions of this Agreement) with respect to the opportunity to fund any Additional Loans before any Additional Lender shall be entitled to fund them.

(c) **Effective Date and Allocations**. If Additional Loans are made in accordance with this Section 2.9, the Agent and the Administrative Borrower shall determine the borrowing date (the "Increase Effective Date") for such Additional Loans and the Administrative Borrower, in consultation with the Agent, shall determine the final allocation of such Additional Loans. The Administrative Borrower shall promptly notify the Agent of the final allocation of such Additional Loans and, promptly after such notification, the Agent shall promptly notify the Lenders of the final allocation of such Additional Loans and the Increase Effective Date.

(d) **Conditions to Additional Loans**. As a condition precedent to the making of any Additional Loans, and in addition to the other requirements set forth in this Section 2.9, the following conditions precedent shall be satisfied:

(i) no Default shall have occurred and be continuing on the Increase Effective Date;

(ii) the representations and warranties of the Loan Parties in the Loan Documents shall be true and correct in all material respects on and as of the Increase Effective Date, except (x) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date and (y) for any representation and warranty that is qualified by materiality or reference to Material Adverse Change, which such representation and warranty shall be true and correct in all respects;

(iii) the Agent shall have received (A) commitments in a corresponding amount of such requested Additional Loans from existing Lenders and/or one or more Additional Lenders (it being understood and agreed that no existing Lender shall be required to provide an Additional Loan) and (B) an executed counterpart from each Additional Lender of an increase joinder agreement, in form and substance reasonably acceptable to the Agent; and

(iv) the Agent shall have received a certificate from the Borrowers as well as all other documents it may reasonably request relating to the corporate or other necessary authority for the borrowing of such Additional Loans and such other documents as may be reasonably requested by the Agent, all in form and substance reasonably satisfactory to the Agent.

(e) **Terms of Additional Loans**. Any Additional Loans made pursuant to this Section 2.9 shall have the same terms as the Loans initially made pursuant to Section 2.1 and shall constitute "Loans" for all purposes of the Loan Documents for so long as they remain outstanding.

(f) **Conflicting Provisions**. This Section 2.9 shall supersede any provisions herein to the contrary.

3. CONDITIONS; TERM OF AGREEMENT.

3.1 Conditions Precedent. The effectiveness of this Agreement and the obligation of each Lender to make its Loan provided for hereunder are subject to the fulfillment, to the satisfaction of each Lender and Agent of the conditions precedent set forth on Schedule 3.1.

3.2 Maturity. This Agreement shall continue in full force and effect for a term ending on the Maturity Date. The foregoing notwithstanding, the Lender Group, upon the election of the Required Lenders, shall have the right to terminate its obligations under this Agreement immediately and upon notice by Agent to Administrative Borrower or any other Loan Party upon the occurrence and during the continuation of an Event of Default.

3.3 Effect of Maturity. On the Maturity Date, all of the Obligations immediately shall become due and payable without notice or demand and Borrowers shall be required to repay all of the Obligations (including, without limitation, the Applicable Prepayment Premium, if applicable) in full in cash. No termination of the obligations of the Lender Group (other than payment in full of the Obligations) shall relieve or discharge any Loan Party of its duties, obligations, or covenants hereunder or under any other Loan Document and Agent's Liens in the Collateral shall continue to secure the Obligations and shall remain in effect until all Obligations have been paid in full. When all of the Obligations have been paid in full, Agent (upon the direction of the Required Lenders) will, at Borrowers' sole expense, execute and deliver any termination statements, lien releases, discharges of security interests, and other similar discharge or release documents (and, if applicable, in recordable form) as are reasonably necessary to release, as of record, Agent's Liens and all notices of security interests and liens previously filed by Agent and Loan Parties shall execute and deliver to Agent a release of Agent and Lenders in form and substance satisfactory to Agent and the Required Lenders.

3.4 Early Termination by Borrowers. Borrowers have the option, at any time upon five (5) Business Days' prior written notice to Agent, to terminate this Agreement by repaying to Agent all of the Obligations in full in accordance with the provisions of Section 2 (which, for the avoidance of doubt, shall include any prepayment fees or premiums required by Section 2.6).

3.5 Conditions Subsequent. The obligation of the Lender Group (or any member thereof) to continue to maintain the Loans (or otherwise extend credit hereunder) is subject to the fulfillment, on or before the date applicable thereto, of the conditions subsequent set forth on Schedule 3.5 (the failure by Borrowers to so perform or cause to be performed such conditions subsequent as and when required by the terms thereof (unless such date is extended, in writing, by the Required Lenders, which the Required Lenders may do without obtaining the consent of the other members of the Lender Group), shall constitute an immediate Event of Default).

4. REPRESENTATIONS AND WARRANTIES.

In order to induce the Lender Group to enter into this Agreement, each Loan Party makes the following representations and warranties to the Lender Group which shall be true, correct and complete, in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof), as of the Closing Date, and at each such other time as required by this Agreement or the other Loan Documents and shall be true, correct, and complete in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of the date of delivery of each Compliance Certificate (or any other extension of credit) thereafter, as though made on and as of the date of such delivery (unless it expressly relates to an earlier date, in which case it shall have been true and correct in all material respects as of such earlier date

(except to the extent already qualified by materiality, in which case each shall have been true and correct in all respects)), and such representations and warranties shall survive the execution and delivery of this Agreement:

4.1 Due Organization and Qualification; Subsidiaries.

(a) Each Loan Party (i) is duly organized and existing and in good standing under the laws of the jurisdiction of its organization, (ii) is qualified to do business in any jurisdiction where the failure to be so qualified could reasonably be expected to result in a Material Adverse Change, (iii) has all requisite power and authority to own and operate its material properties, to carry on its material business as now conducted and as proposed to be conducted and (iv) has all requisite power and authority to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

(b) Set forth on Schedule 4.1(b) are the authorized Equity Interests of each Loan Party and each direct Subsidiary of such Loan Party, by class, and a description of the number of shares of each such class that are issued and outstanding, in each case, as of the Closing Date. Other than as described on Schedule 4.1(b), there are no subscriptions, options, warrants, or calls relating to any shares of any Borrower's or Subsidiary's Equity Interests, including any right of conversion or exchange under any outstanding security or other instrument. Other than as described on Schedule 4.1(b), no Borrower nor any Subsidiary of any Borrower is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its capital Equity Interests or any security convertible into or exchangeable for any of its Equity Interests. There is no Subsidiary of Parent that is not a Loan Party.

(c) All of the outstanding Equity Interests of each Subsidiary of a Loan Party have been validly issued and are fully paid and, except with respect to the shares of Colt Canada, non-assessable.

(d) Neither Borrowers nor any of their Subsidiaries are subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of any Loan Party's Equity Interests or any security convertible into or exchangeable for any such Equity Interests.

4.2 Due Authorization; No Conflict.

(a) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the Closing Date Transactions have been duly authorized by all necessary action on the part of such Loan Party.

(b) As to each Loan Party, the execution, delivery, and performance by such Loan Party of the Loan Documents to which it is a party and the consummation of the Closing Date Transactions do not and will not (i) violate any provision of any material federal, provincial, state, or local law or regulation applicable to any Loan Party or its Subsidiaries, or any order, judgment, or decree of any court or other Governmental Authority binding on any Loan Party or its Subsidiaries, (ii) violate any provisions of the Governing Documents of any Loan Party or its Subsidiaries, (iii) conflict with, result in a material breach of, or constitute (with due notice or lapse of time or both) a material default under any Material Contract of any Loan Party or its Subsidiaries, (iv) result in or require the creation or imposition of any Lien of any nature whatsoever upon any assets of any Loan Party, other than Permitted Liens, or (v) require any approval of any holders of Equity Interests of a Loan Party or, except as set forth on Schedule 4.2(b), any approval or consent of any Person under any Material Contract of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect.

4.3 Governmental Consents. Except as set forth on Schedule 4.3, the execution, delivery, and performance by each Loan Party of the Loan Documents to which such Loan Party is a party and the consummation of the transactions contemplated by the Loan Documents and by the Confirmed Plan of Reorganization do not and will not require any registration with, consent, or approval of, or notice to, or other action with or by, any Governmental Authority, other than registrations, consents, approvals, notices, or other actions that have been obtained and that are still in force and effect and except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to Agent for filing or recordation, as of the Closing Date.

4.4 Binding Obligations; Perfected Liens.

(a) Each Loan Document has been duly executed and delivered by each Loan Party that is a party thereto and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

(b) Agent's Liens (created pursuant to the Loan Documents and held for the benefit of the Secured Parties) are validly created Liens. Agent's Liens on the Collateral (created pursuant to the Loan Documents and held for the benefit of the Secured Parties) will be legal, valid, enforceable, perfected, third priority Liens, subject as to priority only to Permitted Liens that are not required pursuant to this Agreement or the Intercreditor Agreement to be junior or otherwise subordinated to Agent's Liens, upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the Code or the PPSA, as applicable, the filing of the Uniform Commercial Code financing statement or PPSA financing statement, as applicable, naming such Borrower or Guarantor as "debtor" and Agent as "secured party" in the filing offices set forth opposite such Borrower's or such Guarantor's name on Schedule 4.4(b), (ii) with respect to any deposit account, securities account, commodity account, securities entitlement or commodity contract, the execution of a Control Agreement, (iii) in the case of United States copyrights, trademarks and patents, to the extent that Uniform Commercial Code financing statements may be insufficient to establish the rights of a secured party as to certain parties, the recording of the appropriate filings in the United States Patent and Trademark Office and the United States Copyright Office, as applicable, (iv) in the case of Canadian copyrights, trademarks and patents, to the extent that PPSA financing statements may be insufficient to establish the rights of a secured party as to certain parties, the recording of the appropriate filings in the Canadian Intellectual Property Office, (v) in the case of letter-of-credit rights that are not supporting obligations (as defined in the Code), the execution by the issuer or any nominated person of an agreement granting control to Agent over such letter-of-credit rights, and (vi) in the case of electronic chattel paper, the completion of steps necessary to grant control to Agent over such electronic chattel paper.

4.5 Title to Assets; No Encumbrances. Each of the Loan Parties and its Subsidiaries has (a) good and marketable title to (in the case of fee interests in Real Property), (b) valid leasehold interests in (in the case of leasehold interests in real or personal property), and (c) good and marketable title to (in the case of all other personal property), all of their respective assets or property necessary to conduct its business or used in the ordinary course of business. All of such assets are free and clear of Liens except for Permitted Liens.

4.6 Jurisdiction of Organization; Location of Chief Executive Office and Tangible Assets; Organizational Identification Number; Commercial Tort Claims; Locations of Inventory and Equipment.

(a) The name (within the meaning of the Code or PPSA, as applicable) and jurisdiction of organization of each Loan Party and each of its Subsidiaries is set forth on Schedule 4.6(a) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(b) The chief executive offices of each Loan Party and each of its Subsidiaries are located at the addresses indicated on Schedule 4.6(b) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(c) Each Loan Party's and each of its Subsidiaries' tax identification numbers and organizational identification numbers, if any, are identified on Schedule 4.6(c) (as such Schedule may be updated from time to time to reflect changes resulting from transactions permitted under this Agreement).

(d) As of the Closing Date, no Loan Party and no Subsidiary of a Loan Party holds any commercial tort claims that exceed $60,000 in any one case or $120,000 in the aggregate, except as set forth on Schedule 4.6(d).

(e) Each Loan Party's Inventory and Equipment (other than (i) vehicles, (ii) Inventory and Equipment out for repair or in-transit, (iii) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $60,000 and (iv) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) is located only at the locations identified on Schedule 4.6(e).

4.7 Litigation.

(a) After giving effect to the Closing Date Transactions, there are no actions, suits, or proceedings pending or, to the knowledge of any Loan Party, after due inquiry, threatened in writing against a Loan Party or any of its Subsidiaries that either individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(b) After giving effect to the Closing Date Transactions, Schedule 4.7(b) sets forth a complete and accurate description, with respect to each of the actions, suits, or proceedings with asserted liabilities in excess of, or that could reasonably be expected to result in liabilities in excess of, $60,000 that, as of the Closing Date, is pending or, to the knowledge of any Loan Party, after due inquiry, threatened against a Loan Party or any of its Subsidiaries, of (i) the parties to such actions, suits, or proceedings, (ii) the nature of the dispute that is the subject of such actions, suits, or proceedings, (iii) the procedural status, as of the Closing Date, with respect to such actions, suits, or proceedings, and (iv) whether any liability of the Loan Parties' and their Subsidiaries in connection with such actions, suits, or proceedings is covered by insurance.

4.8 Compliance with Laws. No Loan Party nor any of its Subsidiaries (a) is in violation of any applicable material laws, rules, regulations, executive orders, or codes in any material respect except as set forth on Schedule 4.8, (b) is subject to or in default in any material respect with respect to any material final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality,

domestic or foreign or (c) is in violation of ITAR nor in default with respect to any ITAR related rules or regulations, in each case, in any material respect.

4.9 No Material Adverse Change. All historical financial statements relating to the Loan Parties and their Subsidiaries that have been delivered by any Loan Party to the Lenders have been prepared in accordance with GAAP (except (x) in the case of unaudited financial statements, for the lack of footnotes and being subject to year-end audit adjustments, (y) as set forth on Schedule 4.9 and (z) as such statements expressly relate to the Bargaining Unit Defined Benefit Plan Calculation Error) and present fairly in all material respects (except as such statements expressly relate to the Bargaining Unit Defined Benefit Plan Calculation Error), the Loan Parties' and their Subsidiaries' consolidated financial condition as of the date thereof and results of operations for the period then ended. Since the date on which the Disclosure Statement was filed with the Bankruptcy Court, no event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change.

4.10 Solvency; Fraudulent Transfer.

(a) Based on reasonable assumptions and plans, after giving effect to the Closing Date Transactions, Parent and its Subsidiaries (taken as a whole), on a consolidated basis (after giving effect to any rights of contribution or subrogation by any Loan Party), are Solvent.

(b) No transfer of property is being made by any Loan Party and no obligation is being incurred by any Loan Party in connection with the Closing Date Transactions with the intent to hinder, delay, or defraud either present or future creditors of such Loan Party.

4.11 Employee Benefits.

(a) Except as set forth on Schedule 4.11, no Loan Party, none of their Subsidiaries, nor any of their ERISA Affiliates maintains or contributes to any Pension Plan.

(b) Except as set forth on Schedule 4.11, (i) each Loan Party and each of the ERISA Affiliates has complied in all material respects with the terms of ERISA, the IRC and all other applicable laws regarding each Employee Benefit Plan, (ii) no material liability to the PBGC (other than for the payment of current premiums which are not past due) by any Loan Party or ERISA Affiliate has been incurred or is reasonably expected by any Loan Party or ERISA Affiliate to be incurred with respect to any Pension Plan, (iii) no Loan Party nor any of its Subsidiaries maintains, sponsors, administers, contributes to, participates in or has any material liability in respect of any Specified Canadian Pension Plan, nor has any such Person ever maintained, sponsored, administered, contributed or participated in any Specified Canadian Pension Plan, (iv) the Canadian Pension Plans are duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and have been administered in accordance with the Income Tax Act (Canada) and such other applicable laws and no event has occurred which could reasonably be expected to cause the loss of such registered status, (v) all obligations of the Loan Parties and their Subsidiaries (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Specified Canadian Pension Plans and the funding agreements therefor have been performed on a timely basis, and (vi) all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Specified Canadian Pension Plans have been made on a timely basis in accordance with the terms of such plans and all applicable laws.

(c) Each Employee Benefit Plan that is intended to qualify under Section 401(a) of the IRC has received a favorable determination or opinion letter from the Internal Revenue Service or an application for such letter is currently being processed by the Internal Revenue Service. To the best

knowledge of each Loan Party and the ERISA Affiliates after due inquiry, except as set forth on Schedule 4.11, nothing has occurred which would reasonably be expected to prevent, or cause the loss of, such qualification.

(d) Except as set forth on Schedule 4.11, no Notification Event which could reasonably be expected to result in any material liability to any Loan Party or ERISA Affiliate exists or has occurred in the past six (6) years.

4.12 Environmental Matters. Except as set forth on Schedule 4.12:

(a) The operation of the business of, and each of the properties owned or operated by, each Loan Party are in compliance with all Environmental Laws and each Loan Party holds and is in compliance with all Environmental Permits required for the conduct of their businesses and operations, and the ownership, operation and use of its property under Environmental Law, and all such Environmental Permits are valid and in good standing and effect, except where any such non-compliance with Environmental Law or failure to hold or comply with such Environmental Permits individually or in the aggregate could not reasonably be expected to result in a Material Adverse Change.

(b) Except as could not reasonably be expected to result in a Material Adverse Change (i) there is no Environmental Action pending or, to the knowledge of the Loan Parties, threatened against any Loan Party, or relating to any property currently or, to the knowledge of the Loan Parties, formerly owned, leased or operated by any Loan Party or its predecessor(s) in interest or relating to the operations of the Loan Parties, and (ii) to the knowledge of the Loan Parties, there are no actions, activities, circumstances, conditions, events or incidents that could reasonably be expected to form the basis of such an Environmental Action.

(c) There has been no Release or threatened Release of Hazardous Materials and there are no Hazardous Materials present in violation of Environmental Law (i) on, at, under or from any properties currently, or to the knowledge of any Loan Party, formerly owned, leased, or operated by any Loan Party or any predecessor in interest, or (ii) at any disposal or treatment facility that received Hazardous Materials generated by any Loan Party or a predecessor in interest, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(d) No property now, or to the knowledge of any Loan Party, formerly owned or operated by a Loan Party has been used as a treatment or disposal site for any Hazardous Material.

(e) No Environmental Lien has been recorded or, to the knowledge of any Loan Party, threatened under any Environmental Law with respect to any revenues, assets or property owned or operated by a Loan Party.

(f) No Environmental Law regulates, or requires notification, registration, filing, reporting, disclosure, investigation, remediation or cleanup required by any Governmental Authority or pursuant to any other applicable Environmental Law of the Closing Date Transactions.

(g) No person with an indemnity or contribution obligation to the Loan Parties relating to compliance with or liability under Environmental Law is in default with respect to such obligation, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(h) No Loan Party is obligated to perform any action or otherwise incur any expense under Environmental Law pursuant to any order, decree, judgment or agreement by which it is bound or has assumed by contract, agreement or operation of law, and no Loan Party is conducting or financing any Response pursuant to any Environmental Law with respect to any property at any location, which individually or in the aggregate could reasonably be expected to result in a Material Adverse Change.

(i) No property owned, operated or leased by the Loan Parties and, to the knowledge of the Loan Parties, no property formerly owned, operated or leased by the Loan Parties or any of their predecessors in interest is (i) listed or formally proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA, or (iii) included on any similar list maintained by any Governmental Authority including any such list relating to releases of petroleum.

(j) As of the Closing Date, the Loan Parties have made available to Lenders true and complete copies of all material records and files in the possession, custody or control of, or otherwise reasonably available to the Loan Parties, concerning the Loan Parties compliance with, or liability under, Environmental Laws, including those concerning the actual or suspected Release or threatened Release of Hazardous Materials at, on, under or from any property owned, operated, leased or used by the Loan Parties.

4.13 Intellectual Property. Except as set forth on the Perfection Certificate dated as of the Closing Date:

(a) Each Loan Party owns, licenses or otherwise has the right to use all Intellectual Property that is necessary for the operation of its business, without infringement upon, misappropriation of, dilution of, or conflict with the rights of any other Person or other Loan Party and attached hereto as Schedule 4.13 is a true, correct and complete list of all material registered trademarks, registered copyrights and issued patents (and pending applications therefor) included within Intellectual Property as to which any Loan Party is the owner; provided, that, any Borrower may amend Schedule 4.13 to add additional Intellectual Property so long as such amendment occurs by written notice to Agent not less than ten (10) days after the end of the fiscal quarter in which the applicable Loan Party or its Subsidiary acquires any such property and such Intellectual Property shall at such time be made subject to the Security Documents and owned by an IP Holdco.

(b) To the knowledge of the Loan Parties, no Loan Party nor any of its agents or representatives has engaged in any conduct, or omitted to perform any necessary act, the result of which would invalidate any material Intellectual Property of a Loan Party or hinder its enforcement. To the knowledge of the Loan Parties, no other Person has infringed or is infringing upon any material Intellectual Property of a Loan Party. For the avoidance of doubt, all registered trademarks or service marks of a Loan Party shall be deemed material Intellectual Property.

(c) None of the Loan Parties' registered Intellectual Property that is material to the operation of a Loan Party's business is currently involved in any reexamination, reissue, interference, invalidity, opposition or cancellation proceeding before any patent office or patent authority, including the United States Patent and Trademark Office and the Canadian Intellectual Property Office, or any similar proceeding, and no such proceedings are pending.

(d) All of the Loan Parties' Intellectual Property identified in the Perfection Certificate is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and, to the knowledge of the Loan Parties, is valid and enforceable.

(e) Other than Permitted Liens, all rights with respect to the Intellectual Property owned by each Loan Party are free of all Liens and are fully assignable by the Loan Parties to any Person, without payment, consent of any Person or other conditions or restrictions.

(f) (i) No claim has been asserted in writing and is pending by any Person challenging or questioning the use of any of the Loan Parties' Intellectual Property, or the validity or effectiveness of any such Intellectual Property, and (ii) no claim has been asserted in writing and is pending by any Person challenging or questioning the use of any material Intellectual Property owned by any of the Loan Parties, or the validity or effectiveness of any such material Intellectual Property. Each Loan Party has made or performed all filings, recordings and other acts and has paid all maintenance fees, annuities and any other required fees and taxes, as deemed necessary by such Loan Party in its reasonable business judgment, to maintain and protect its interest in all Intellectual Property owned by such Loan Party in full force and effect.

(g) To the knowledge of the Loan Parties, 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, misappropriates, dilutes or conflicts with, any rights owned by any other Person. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Loan Parties, threatened.

(h) Each of the Loan Parties and its Subsidiaries has executed all documents necessary to transfer ownership as of the Closing Date of all right, title and interest of such Loan Party and its Subsidiaries in Intellectual Property worldwide to an IP Holdco.

4.14 Leases. Each Loan Party and each of its Subsidiaries enjoy peaceful and undisturbed possession under all leases material to their business and to which they are parties or under which they are operating, and, subject to Permitted Protests, all of such material leases are valid and subsisting and no material default beyond any applicable cure period by the applicable Loan Party or its Subsidiaries exists under any of them.

4.15 Deposit Accounts and Securities Accounts. Set forth on Schedule 4.15 (as updated pursuant to the provisions of each of the Security Documents from time to time) is a listing of all of the Loan Parties' and their Subsidiaries' Deposit Accounts and Securities Accounts, including, with respect to each bank or securities intermediary (a) the name and address of such Person, and (b) the account numbers of the Deposit Accounts or Securities Accounts maintained with such Person.

4.16 Complete Disclosure. All factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry and historical information expressly related to the Bargaining Unit Defined Benefit Plan Calculation Error provided prior to the Closing Date) furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender (including all information contained in the Schedules hereto or in the other Loan Documents) for purposes of or in connection with this Agreement or the other Loan Documents, and all other such factual information taken as a whole (other than forward-looking information and projections and information of a general economic nature and general information about Borrowers' industry) hereafter furnished by or on behalf of a Loan Party or its Subsidiaries in writing to Agent or any Lender will be, true and accurate, in all material respects, on the date as of which such information is dated or certified and not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not misleading in any material respect at such time in light of the circumstances under which such information was provided. The Projections delivered to Agent (for further distribution to the Lenders) on [ ], represent, and as of the date on which any other Projections are delivered to Agent or the Lenders, such additional Projections represent, Borrowers' good

faith estimate, on the date such Projections are delivered, of the Loan Parties' and their Subsidiaries' future performance for the periods covered thereby based upon assumptions believed by Borrowers to be reasonable at the time of the delivery thereof to the Agent or the Lenders, as the case may be (it being understood that such Projections are subject to uncertainties and contingencies, many of which are beyond the control of the Loan Parties and their Subsidiaries, that no assurances can be given that such Projections will be realized, and that actual results may differ in a material manner from such Projections).

4.17 Material Contracts. Except as set forth on Schedule 4.17, no Material Contract is in default in any material respect.

4.18 Patriot Act; etc. To the extent applicable, each Loan Party is in compliance, in all material respects, with the (a) Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) and any other enabling legislation or executive order relating thereto, (b) Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act of 2001) (the "Patriot Act"), and (c) the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and the regulations promulgated thereunder. No part of the proceeds of the loans made hereunder will be used by any Loan Party or any of their Affiliates, 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.

4.19 Indebtedness. Set forth on Schedule 4.19 is a true and complete list of all Indebtedness of each Loan Party and each of its Subsidiaries outstanding immediately prior to the Closing Date, but after giving effect to the Closing Date Transactions and the Approved Confirmation Order (other than unsecured Indebtedness with respect to any one transaction or a series of related transactions in an amount not to exceed $60,000; provided that all such unsecured Indebtedness, in the aggregate, shall not exceed $300,000) that is to remain outstanding immediately after giving effect to the Closing Date Transactions and such Schedule accurately sets forth the aggregate principal amount of such Indebtedness as of the Closing Date.

4.20 Payment of Taxes. All tax returns and reports of each Loan Party and its Subsidiaries required to be filed by any of them have been timely filed, all such tax returns and reports were true, correct and complete as of the time of such filing and all Taxes shown on such tax returns to be due and payable and all governmental assessments, fees and other charges upon a Loan Party and its Subsidiaries and upon their respective assets, income, businesses and franchises that are due and payable have been paid when due and payable, except (a) to the extent the validity of such Taxes shall be the subject of a Permitted Protest or (b) for failures which, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change. No Loan Party knows of any proposed tax assessment against a Loan Party or any of its Subsidiaries that is not being actively contested by such Loan Party or such Subsidiary diligently, in good faith, and by appropriate proceedings; provided such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.21 Margin Stock. No Loan Party nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any Margin Stock. No part of the proceeds of the Loans made to Borrowers will be used to purchase or carry any such Margin Stock or to extend credit to others for the purpose of purchasing or carrying any such Margin Stock or for any purpose that violates the provisions of Regulation T, U or X of the Board of Governors of the United States Federal Reserve.

4.22 Governmental Regulation. No Loan Party nor any of its Subsidiaries is subject to regulation under the Federal Power Act or the Investment Company Act of 1940 or under any other federal, state, provincial, territorial or foreign statute or regulation which may limit its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable. No Loan Party nor any of its Subsidiaries is a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

4.23 OFAC. No Loan Party nor any of its Subsidiaries is in violation of any of the country or list-based economic or trade sanctions administered and enforced by OFAC. No Loan Party nor any of its Subsidiaries (a) is a Sanctioned Person or a Sanctioned Entity, (b) has its assets located in Sanctioned Entities, or (c) derives revenues from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. No proceeds of any loan made hereunder will be used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

4.24 Employee and Labor Matters. Except as set forth on Schedule 4.24, there is (a) no unfair labor practice complaint pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries before any Governmental Authority and no grievance or arbitration proceeding pending or, to the knowledge of Borrowers, threatened against Parent or its Subsidiaries which arises out of or under any collective bargaining agreement, (b) no strike, labor dispute, slowdown, stoppage or similar action or grievance pending or threatened in writing against Parent or its Subsidiaries, (c) to the knowledge of Borrowers, after due inquiry, no union representation question existing with respect to the employees of Parent or its Subsidiaries and no union organizing activity taking place with respect to any of the employees of Parent or its Subsidiaries, or (d) any liability or obligation incurred by Parent or any of its Subsidiaries under the Worker Adjustment and Retraining Notification Act or similar state, Canadian or provincial law, which remains unpaid or unsatisfied. The hours worked and payments made to employees of Parent or its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable legal requirements, except to the extent such violations could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change. All payments due from Parent or its Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of Parent, except where the failure to do so could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change.

4.25 Exit Documents. Borrowers have delivered or made available to the Agent and the Lenders true and correct copies of the following: (i) the Term Loan Documents, (ii) the Senior Loan Documents, and (iii) the Fourth Lien Note Documents. The transactions contemplated by the Term Loan Documents, the Senior Loan Documents and the Fourth Lien Note Documents will be, contemporaneously with the Closing Date, consummated in accordance with their respective terms.

4.26 Use of Proceeds. The proceeds of the Loans will be used to pay transaction fees, costs and expenses, including fees under the Fee Letter, to provide working capital and to fund certain obligations of the reorganized Debtors under the Confirmed Plan of Reorganization and the Approved Confirmation Order. Borrowers will use the proceeds of the Term Loan Documents, the Senior Loan Documents and the Fourth Lien Note Documents in accordance with the Confirmed Plan of Reorganization and the Approved Confirmation Order.

4.27 Locations of Inventory and Equipment. The Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit, (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $60,000 and (z) Inventory

consigned pursuant to the DCAM Consignment described in clause (b) of the definition of "Permitted Disposition") of the Loan Parties and their Subsidiaries are not stored with a bailee, warehouseman, or similar party with whom a Collateral Access Agreement is in effect and are located only at, or in-transit between or to, the locations identified on Schedule 4.6(e) (as such Schedule may be amended in accordance with Section 5.14).

4.28 Inventory Records. Each Loan Party keeps correct and accurate records, in all material respects, itemizing and describing the type, quality, and quantity of its and its Subsidiaries' Inventory and the book values thereof.

4.29 Common Enterprise. The Loan Parties make up a related organization of various entities constituting a single economic and business enterprise so that the Loan Parties share an identity of interests such that any benefit received by any one of them benefits the others. The Loan Parties render services to or for the benefit of certain of the other Loan Parties and purchase or sell and supply goods to or from or for the benefit of certain of the others. Certain of the Loan Parties have the same chief executive office, certain common officers and directors and generally do not provide consolidating financial statements to creditors. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (i) successful operations of each of the other Loan Parties and (ii) the credit extended by the Lenders to the Borrowers hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party (and the entering into of joint and several obligations and the giving of any guarantee or Lien to Agent for the benefit of the Secured Parties in connection therewith) is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and/or indirect benefit to such Loan Party, and is in its best interest.

4.30 Confirmation Order. The Approved Confirmation Order is in full force and effect and has not been vacated, reversed or rescinded or, without the prior written consent of the Agent and Required Lenders, in their sole discretion, amended or modified and no appeal or leave to appeal of such order has been timely filed or, if timely filed, no stay pending such appeal or leave to appeal is currently effective.

4.31 Insurance. The Loan Parties keep their respective properties adequately insured and maintain (a) insurance to such extent and against such risks, including fire, as is customary with companies in the same or similar businesses, (b) workmen's compensation insurance in the amount required by applicable law, (c) public liability insurance, which shall include product liability insurance, in the amount customary with companies in the same or similar business against claims for personal injury or death on properties owned, occupied or controlled by it, and (d) such other insurance as may be required by law (including, without limitation, against larceny, embezzlement or other criminal misappropriation). Schedule 4.31 sets forth a list of all insurance maintained by the Loan Parties on the Closing Date.

4.32 Centre of Main Interests and Establishments. Each Dutch Loan Party has its "centre of main interests" (as that term is used in Article 3(7) of the Council of the European Union Regulation No. 1346/2000 as Insolvency Proceeding (the "Regulation")) in its jurisdiction of incorporation. No Dutch Loan Party has an establishment (as that term is used in Article 2(h) of the Regulation) in any jurisdiction other than the Netherlands.

4.33 **Tax Status**. No notice under Section 36 of the Tax Collection Act (*Invorderingswet 1990*) has been given by any Dutch Loan Party.

5. AFFIRMATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties shall and shall cause each of their Subsidiaries to comply with each of the following:

5.1 **Financial Statements, Reports, Certificates**. Loan Parties shall deliver to Agent, with copies to each Lender, each of the financial statements, reports, and other items set forth on Schedule 5.1 no later than the times specified therein. Parent agrees that it shall (i) not change its fiscal year and (ii) maintain a system of accounting that enables Parent to produce financial statements in accordance with GAAP.

5.2 **Collateral Reporting**. Provide Agent (and if so requested by Agent or the Required Lenders, with copies for each Lender) with each of the reports set forth on Schedule 5.2 at the times specified therein.

5.3 **Existence**. Except as otherwise permitted under Section 6.3, Section 6.4 or Section 6.5, at all times maintain and preserve in full force and effect (a) its existence, (b) all rights and franchises, licenses and permits related to any Intellectual Property that are necessary or otherwise material to the conduct of its business as currently conducted, unless otherwise consented to by the Required Lenders, and (c) all other rights and franchises, licenses and permits that are necessary or otherwise material to the conduct of the business of Parent and its Subsidiaries; provided, however, that no Loan Party or any of its Subsidiaries shall be required to preserve any such right or franchise, licenses or permits under clause (c) above if such Person's board of directors (or similar governing body) shall determine (after informing the Required Lenders) that the preservation thereof is no longer desirable in the conduct of the business of such Person.

5.4 **Maintenance of Properties**. Maintain and preserve all of its assets that are necessary or useful in the proper conduct of its business in good working order and condition, except for ordinary wear, tear, and casualty and Permitted Dispositions.

5.5 **Taxes**. Cause all Taxes imposed, levied, or assessed against any Loan Party or its Subsidiaries, or any of their respective assets or in respect of any of its income, businesses, or franchises to be paid in full when due (taking into account any valid and effective extension for payment thereof), except (a) to the extent that the validity of such Tax shall be the subject of a Permitted Protest or (b) delinquent Taxes outstanding in an aggregate amount not to exceed $120,000 at any one time.

5.6 **Insurance**. Each Loan Party shall, at such Loan Party's expense, (a) maintain insurance respecting each Loan Party's assets wherever located, covering liabilities, losses or damages as customarily are insured against by other Persons engaged in the same or similar businesses and similarly situated and located. All such policies of insurance shall be with financially sound and reputable insurance companies reasonably acceptable to the Required Lenders (it being agreed that, as of the Closing Date, the insurance companies identified on Schedule 4.31 are acceptable to the Required Lenders) and in such amounts as is carried generally in accordance with sound business practice by companies in similar businesses similarly situated and located and, in any event, in amount, adequacy, and scope reasonably satisfactory to the Required Lenders (it being agreed that the amount, adequacy, and scope of the policies of insurance of the Loan Parties in effect as of the Closing Date are acceptable to the Required Lenders and it being further agreed and understood that with respect to insurance in respect of director and officer liability, the amount, adequacy and scope of the policies of such insurance shall be

determined in the sole discretion of Parent). All property insurance policies covering the Collateral are to be made payable to Agent for the benefit of Agent and the Lenders, as their interests may appear, in case of loss, pursuant to a standard loss payable endorsement with a standard noncontributory "lender" or "secured party" clause and are to contain such other provisions as Agent or the Required Lenders may reasonably require to fully protect the Lenders' interest in the Collateral and to any payments to be made under such policies (and any payments received by Agent shall be applied by Agent or otherwise returned to Borrowers in accordance with the provisions set forth in this Agreement). All certificates of property and general liability insurance shall be delivered to Agent, with the loss payable (but only in respect of Collateral) and additional insured endorsements (other than directors and officers policies and workers compensation) in favor of Agent and shall provide for not less than thirty (30) days (or ten (10) days in the case of non-payment) prior written notice to Agent of the exercise of any right of cancellation. If any Loan Party fails to maintain such insurance, Agent (upon the direction of the Required Lenders) shall arrange for such insurance, but at such Loan Party's expense and without any responsibility on Agent's part for obtaining the insurance, the solvency of the insurance companies, the adequacy of the coverage, or the collection of claims. Borrowers shall give Agent prompt notice of any loss exceeding $60,000 covered by any Loan Party's casualty or business interruption insurance. Upon the occurrence and during the continuance of an Event of Default, subject to the Intercreditor Agreement, Agent (upon the direction of the Required Lenders) shall have the sole right to file claims under any property and general liability insurance policies (and not under business interruption insurance policies) in respect of the Collateral, to receive, receipt and give acquittance for any payments that may be payable thereunder, and to execute any and all endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies. The Loan Parties shall give prior written notice to the Required Lenders prior to any change (outside of the ordinary course consistent with past practice) to any insurance policy listed on Schedule 4.31 related to executive risk or directors and officers insurance (including any change to coverage, amount insured or deductible).

5.7 Inspection. Permit Agent and the Lenders and each of their duly authorized representatives or agents to visit any of its properties and inspect any of its assets or books and records, to conduct appraisals and valuations, to examine and make copies of its books and records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers and employees at such reasonable times (during normal business hours) and intervals as Agent (upon the direction of the Required Lenders) shall designate and, so long as no Default or Event of Default exists and is continuing, with reasonable prior notice (which notice shall be at least two (2) Business Days' prior notice) to Administrative Borrower all at such times and intervals as Agent (upon the direction of the Required Lenders) shall request, all at Borrower's expense; provided that, as to such examinations and appraisals of Intellectual Property of the Loan Parties, unless an Event of Default exists or has occurred and is continuing, no more than one (1) examination and appraisal of Intellectual Property in any twelve (12) month period (commencing as of the Closing Date) shall be at the expense of Borrowers.

5.8 Compliance with Laws. (a) Except as set forth on Schedule 4.8, comply with the requirements of all applicable material laws, rules, regulations, and orders of any Governmental Authority in all material respects and (b) comply with the requirements of ITAR in all material respects.

5.9 Environmental.

(a) To the extent applicable, comply with all Environmental Laws applicable to the ownership, lease or use of all property now or hereafter owned, leased or operated by the Loan Parties, including, but not limited to, all requirements pursuant to and within the timeframes set forth in Connecticut's Transfer Act (Conn. Gen. Stat. §22a-134, *et seq.*) as a result of any prior transactions and the Closing Date Transactions, including but not limited to retaining a Licensed Environmental

Professional and completing all required filings, authorizations, approvals, notifications, site investigations, and remediation. The Loan Parties shall provide Agent with copies of all material documents filed with, and material responses from, the Connecticut Department of Environmental Protection, with respect to Connecticut's Transfer Act.

(b) Keep any property either owned, leased or operated by any Loan Party free of any Environmental Liens or post bonds or other financial assurances sufficient to satisfy the obligations or liability evidenced by such Environmental Liens.

(c) Comply, and use commercially reasonable efforts to cause all tenants and other Persons who may come upon any property owned, leased or operated by a Loan Party to comply, with all Environmental Laws in all material respects and provide to Agent documentation of such compliance which Agent reasonably requests.

(d) Maintain and comply in all material respects with all Environmental Permits required under applicable Environmental Laws.

(e) Except as have not had, and would not reasonably be expected to cause a Material Adverse Change, neither the Loan Parties nor any of their Subsidiaries will generate, use, treat, store, Release or dispose of, or permit the generation, use, treatment, storage, Release or disposal of Hazardous Materials on any Real Property now or hereafter owned, leased or operated by the Loan Parties or any of their Subsidiaries, or transport or permit the transportation of Hazardous Materials to or from any such Real Property, except for Hazardous Materials generated, used, treated, stored, Released or disposed of at any such Real Properties, or transported to or from such Real Properties, in compliance with all applicable Environmental Laws.

(f) Undertake or cause to be undertaken any and all Remedial Actions in response to any Environmental Claim, Release of Hazardous Materials in violation of Environmental Law or other violation of Environmental Law, or as is otherwise ordered by any Governmental Authority, to the extent required by Environmental Law or any Governmental Authority and to repair or remedy any environmental condition or impairment to the Real Property and, upon request of Agent or the Required Lenders, provide Agent with copies of all data, information and reports generated in connection therewith as Agent or the Required Lenders may request.

(g) Promptly, but in any event within five (5) Business Days of its receipt thereof, (i) provide Agent with written notice of any of the following: (A) any Release of which any Loan Party has knowledge of a Hazardous Material in any reportable quantity from or onto property owned or operated by any Loan Party; (B) written notice that an Environmental Lien has been filed against any of the real or personal property of any Loan Party, (C) commencement of any Environmental Action or written notice that an Environmental Action will be filed against any Loan Party, if such Loan Party reasonably estimates that liability will result in a Material Adverse Change; (D) material violation of Environmental Laws in, at, on, under or from any part of the Real Property or any improvements constructed thereon; and (E) discovery of any occurrence or condition on any real property adjoining or in the vicinity of any Real Property that could reasonably be expected to cause such Real Property or any part thereof to be subject to any material restrictions on the ownership, occupancy, transferability or use thereof under any Environmental Laws; and (ii) provide such other documents and information as reasonably requested by Agent in relation to any matter pursuant to this Section 5.9(g).

(h) At the request of the Required Lenders or Agent (at the direction of the Required Lenders), upon the occurrence of any of the following: (i) after the receipt by Agent or any Lender of any notice of the type described in Section 5.9(g), (ii) at any time that any Loan Party or any of its

Subsidiaries are not in compliance with Section 4.12 or Section 5.9, or (iii) at any time when an Event of Default has occurred and is continuing, the Loan Parties shall provide to Agent and the Lenders, within thirty (30) calendar days after such request, at the sole expense of the Loan Parties, a Phase I Report for any Real Property, prepared by an environmental consulting firm acceptable to the Required Lenders and, if recommended by the Phase I Report, a Phase II environmental site assessment report. Without limiting the generality of the foregoing, if the Required Lenders determine at any time that a risk exists that any requested Phase I or Phase II Report will not be provided within the time referred to above, Agent and/or the Required Lenders may retain an environmental consulting firm to prepare such reports at the sole expense of the Loan Parties, and the Loan Parties shall provide reasonable access to Agent and/or the Required Lenders, such firm and any agents or representatives to their respective properties to undertake such Phase I or Phase II environmental site assessment.

5.10 Formation of Subsidiaries. At any time that any Loan Party forms any direct or indirect Subsidiary or acquires any direct or indirect Subsidiary after the Closing Date, such Loan Party shall (a) upon such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) cause any such new Subsidiary to provide to Agent a Guaranty and a joinder to the applicable Loan Documents, together with such other security documents (including mortgages with respect to any Real Property owned in fee of such new Subsidiary with a fair market value of at least $240,000), as well as appropriate financing statements (and with respect to all property subject to a mortgage, fixture filings), all in form and substance reasonably satisfactory to the Required Lenders (including being sufficient to grant Agent a third priority Lien (subject to Permitted Liens) in and to the assets of such newly formed or acquired Subsidiary); provided, that, a Guaranty or a joinder to the applicable Loan Documents, and such other documents shall not be required to be provided to Agent if the costs to the Loan Parties of providing such Guaranty, executing any such Loan Documents or perfecting the security interests created thereby are unreasonably excessive (as determined by the Agent in consultation with Borrowers) in relation to the benefits of Agent and the Lenders of the security or guarantee afforded thereby, (b) within five (5) days of such formation or acquisition (or such later date as permitted by the Required Lenders in their sole discretion) provide to Agent a pledge agreement (or an addendum to the applicable Loan Documents) and appropriate certificates and powers or financing statements, pledging all of the direct or beneficial ownership interest in such new Subsidiary reasonably satisfactory to the Required Lenders; provided that no other pledge shall be required if the costs to the Loan Parties of providing such other pledge are unreasonably excessive (as determined by the Required Lenders in consultation with Borrowers) in relation to the benefits of Agent and Lenders of the security afforded thereby, and (c) within thirty (30) days of such formation or acquisition (or such later date as permitted by the Agent in its sole discretion) provide to Agent all other documentation reasonably requested by Agent or the Required Lenders (including policies of title insurance or other documentation with respect to all Real Property owned in fee and subject to a mortgage).

5.11 Further Assurances. At any time upon the reasonable request of the Required Lenders, execute and/or deliver to Agent and the Required Lenders any and all financing statements, fixture filings, security agreements, pledges, assignments, endorsements of certificates of title, mortgages, title insurance, deeds of trust, opinions of counsel and all other documents (the "Additional Documents") that are required by applicable law, or that Agent or the Required Lenders may reasonably request, in form and substance reasonably satisfactory to Agent and the Required Lenders, (i) to create, perfect, and maintain Agent's Liens in all of the assets of Parent and its Subsidiaries (other than Excluded Property but, for the avoidance of doubt, including ownership by an IP Holdco of any Intellectual Property of a Loan Party and other Collateral located in jurisdictions outside the United States or Canada) (whether now owned or hereafter arising or acquired, tangible or intangible, real or personal), (ii) to create and perfect Liens in favor of Agent in any Real Property acquired by Parent or its Subsidiaries after the Closing Date with a fair market value in excess of $240,000 and (iii) in order to fully consummate all of the transactions contemplated hereby and under the other Loan Documents. In furtherance and not in

limitation of the foregoing, each Loan Party shall within sixty (60) days of the date of request by the Required Lenders (or such later date as agreed to in writing by the Required Lenders), deliver any and all executed filings and other documents required under the Federal Assignment of Claims Act of 1940 so requested and cause the filing thereof. To the maximum extent permitted by applicable law, if any Loan Party refuses or fails to execute or deliver any reasonably requested Additional Documents within a reasonable period of time following the request to do so, such Loan Party hereby authorizes Agent to execute any such Additional Documents in the applicable Loan Party's name, as applicable, and authorizes Agent to file such executed Additional Documents in any appropriate filing office. In furtherance and not in limitation of the foregoing, each Loan Party shall take such actions as Agent or the Required Lenders may reasonably request from time to time (a) in connection with any merger, amalgamation, consolidation, or reorganization permitted under Section 6.4, delivery to Agent of the agreements and documentation related thereto or set forth in Section 5.2 and Section 5.10 above, or (b) to ensure that the Obligations are guaranteed by the Guarantors and are secured by substantially all of the assets of the Loan Parties (subject to exceptions and limitations contained in the Loan Documents).

5.12 Lender Meetings. Upon the request of the Agent or the Required Lenders, but no more than once each month, hold a meeting (by conference call or, at the request of Required Lenders, in person; provided that the Loan Parties shall offer to hold at least one annual meeting in person) with all Lenders (and any financial advisor retained by the Agent or any Lender) who choose to attend such meeting at which meeting shall be reviewed, among other things, the financial results of Parent and the financial condition of Parent and its Subsidiaries, operations of the Borrowers, progress of any business development (including Intellectual Property licensing) and marketing initiatives and/or any other developments; provided, however, that following the occurrence of a Default or an Event of Default, such meetings shall be held as often as the Agent or the Required Lenders shall request. For the avoidance of doubt, any of the foregoing meetings with Lenders may be held concurrently with any periodic lender meetings required pursuant to the Term Loan Agreement and/or the Senior Loan Agreement (unless otherwise requested by the Required Lenders).

5.13 Material Contracts. Upon the Lenders' request and in any event with the delivery of each Compliance Certificate pursuant to Section 5.1, provide Agent (for further delivery to the Lenders) with copies of (a) each Material Contract entered into since the delivery of the previous Compliance Certificate, and (b) each material amendment or modification of any Material Contract entered into since the delivery of the previous Compliance Certificate.

5.14 Locations of Inventory and Equipment. Keep each Loan Party's Inventory and Equipment (other than (x) vehicles, Inventory and Equipment out for repair or in-transit between locations specified on Schedule 4.6(e), (y) Inventory and Equipment owned by Persons other than Loan Parties or having an aggregate book value of less than $60,000 and (z) Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions) only at the locations identified on Schedule 4.6(e); provided, that, any Borrower may amend Schedule 4.6(e) so long as such amendment occurs by written notice to Agent not less than ten (10) days after the date on which such Inventory or Equipment is moved to such new location.

5.15 Compliance with ERISA and the IRC. In addition to and without limiting the generality of Section 5.8, (a) comply in all material respects with applicable provisions of ERISA and the IRC with respect to all Employee Benefit Plans, (b) not take any action or fail to take action the result of which could reasonably be expected to result in a Loan Party or ERISA Affiliate incurring a material liability to the PBGC or to a Multiemployer Plan (other than to pay contributions or premiums payable in the ordinary course), (c) not participate in any prohibited transaction that could reasonably be expected to result in a material civil penalty, excise tax, fiduciary liability or correction obligation under ERISA or the IRC, and (d) furnish to Agent upon the Required Lenders' written request such additional information

about any Employee Benefit Plan for which any Loan Party or ERISA Affiliate could reasonably expect to incur any material liability. With respect to each Pension Plan (other than a Multiemployer Plan) except as could not reasonably be expected to result in material liability to the Loan Parties, the Loan Parties and the ERISA Affiliates shall (i) satisfy in full and in a timely manner, without incurring any late payment or underpayment charge or penalty and without giving rise to any Lien, all of the contribution and funding requirements of the IRC and of ERISA, and (ii) pay, or cause to be paid, to the PBGC in a timely manner, without incurring any late payment or underpayment charge or penalty, all premiums required pursuant to ERISA. In addition to and without limiting the foregoing, take all actions required under Schedule 5.15 in the manner and on the time frames set forth therein.

5.16 Canadian Employee Benefits.

(a) Cause the Canadian Pension Plans to be duly registered under the Income Tax Act (Canada) and any other applicable laws which require registration and cause such Canadian Pension Plans to be administered in accordance with the Income Tax Act (Canada) and such other applicable law and maintain such registered status.

(b) Cause each Loan Party and its Subsidiaries to perform its obligations (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans and cause the funding agreements therefor to be performed on a timely basis.

(c) Cause all contributions or premiums required to be made or paid by the Loan Parties and their Subsidiaries to the Canadian Pension Plans to be made or paid on a timely basis in accordance with the terms of such plans and all applicable laws.

5.17 IP Holdcos.

(a) Cause each Loan Party and its Subsidiaries to take all steps to make all governmental filings that are necessary to record or perfect transfer of all registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property worldwide of each Loan Party and its Subsidiaries to an IP Holdco, within 10 days of the Closing Date for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in the United States or Canada, or for registered trademarks, registered copyrights and issued patents (and any pending trademark, copyright or patent applications) included within the Intellectual Property rights in countries outside of the United States or Canada, on a schedule to be agreed in writing between the Parties; provided that Agent may reasonably request such actions to take place on an accelerated schedule for one or more countries outside of the United States and Canada, such request not to be unreasonably denied or delayed by the Loan Parties.

(b) Deliver to Agent (a) a 100% pledge of the Equity Interests in such IP Holdco together with (i) after Discharge of Senior Priority Obligations, any certificates evidencing such Equity Interests and transfer powers indorsed in blank or (ii) prior to Discharge of Senior Priority Obligations, evidence of delivery to Senior Loan Agent or Term Loan Agent, as the case may be, of any certificates evidencing such Equity Interests and transfer powers, (b) a joinder to the US Security Agreement or the Canadian Security Agreement signed by such IP Holdco and (c) any separate security agreement required by applicable laws or as may be requested by the Agent.

(c) Ensure that the IP Holdcos do not own any property or assets whatsoever other than Intellectual Property and other property reasonably related thereto or to the development thereof that is set forth on Schedule 5.17.

5.18 Assignment and Registration of Intellectual Property. Cause each Loan Party and its Subsidiaries to assign all rights of such Loan Party or Subsidiaries in Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party after the Closing Date to an IP Holdco within a reasonable time after creation, acquisition or application for registration provided any delay does not result in a material impairment of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, and for each such Intellectual Property that is material, to file and prosecute applications for copyright, trademark or patent registrations with the applicable governmental agencies worldwide, consistent with past practice, provided that a Loan Party or its Subsidiary may exercise reasonable discretion in choosing to protect one or more particular embodiments of such Intellectual Property as a trade secret instead of filing for patent protection after due inquiry and consultation with, and recommendation of, outside counsel.

6. NEGATIVE COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations, the Loan Parties will not and will not permit any of their Subsidiaries to do any of the following:

6.1 Indebtedness. Create, incur, assume, suffer to exist, guarantee, or otherwise become or remain, directly or indirectly, liable with respect to any Indebtedness, except for Permitted Indebtedness.

6.2 Liens. Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

6.3 Intellectual Property.

(a) Permit any Intellectual Property created, developed, originated or acquired, in whole or in part, by any Loan Party to be legally owned by, beneficially owned (except to the extent rights are granted pursuant to license agreements permitted under Section 6.3(c) of this Agreement) by, or registered in the name of, any Person other than US IP Holdco or Canada IP Holdco, as applicable. For the avoidance of doubt, joint ownership of any Intellectual Property shall not be permitted, except for Intellectual Property that has been or may be jointly developed by a Loan Party (or its Subsidiaries) and a third party.

(b) Convey, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, assign, transfer, or otherwise dispose of) any Intellectual Property of any of the Loan Parties to any Person other than (i) either IP Holdco, but not both, or (ii) Permitted Dispositions.

(c) Grant any IP Licenses, except those IP Licenses (1) that are by and among any Loan Parties or their respective Affiliates on terms and conditions consistent with the Loan Documents, the Intercreditor Agreements, and not materially different from IP Licenses executed between the Loan Parties on the Closing Date unless approved in writing by the Lender Group or Agent, such approval not to be unreasonably withheld or delayed or (2) nonexclusive licenses to third parties for specified, non-perpetual periods of time on customary, market and otherwise reasonable and commercial terms; provided that: (a) the Loan Parties shall not license (or allow the licensing or sublicensing of) any Intellectual Property to third parties in connection with firearm products (collectively, the "Prohibited IP Licenses") except (i) solely for the purpose of acting as a contract manufacturer for one or more of

the Loan Parties, or (ii) solely for the marketing, sale, distribution and final assembly of firearms for which one or more of the Loan Parties manufactured (or had manufactured by a contract manufacturer) all or a substantial portion of the components of such firearms, except that IP Licenses that would otherwise be Prohibited IP Licenses that are (x) Existing IP Licenses shall not be deemed to be Prohibited IP Licenses and shall be listed as such on Schedule L-1 or (y) nonexclusive licenses related to SWORD Technology as defined in Schedule L-1 shall not be deemed to be Prohibited IP Licenses; (b) all IP License Proceeds shall be required to be in cash and be deposited in a Designated Account into which only IP License Proceeds may be deposited (the "IP Proceeds Account"); (c) each IP License shall be of reasonable duration and shall include reasonable and customary provisions typical for agreements of such kind and designed to ensure the ownership, validity, enforceability and preservation of the value of the Intellectual Property subject to such license; and (d) the aggregate value of IP Licenses entered into after the Closing Date shall not exceed $18,000,000 (with the determination of value of each IP License measured at the time entered into, renewed, amended, extended or otherwise changed, and with determinations of value being made in good faith by the board of directors of Parent; provided, that any determination of value in excess of $6,000,000 shall be made by a third party appraiser reasonably acceptable to the Required Lenders).

(d) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $5,600,000 (it being understood that the Loan Parties shall not be obligated to fund the IP Proceeds Account with cash other than IP Proceeds).

6.4 Restrictions on Fundamental Changes.

(a) Enter into any merger, amalgamation, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests except for mergers, consolidations and amalgamations (i) between US Loan Parties; provided that, if a Borrower is party thereto, such Borrower is the surviving or continuing entity of such merger, amalgamation or consolidation, (ii) between Canadian Loan Parties; provided that, if a Borrower is party thereto, such Borrower is the surviving or continuing entity of such merger, amalgamation or consolidation, (iii) between a Dutch Loan Party and any other Loan Party; provided that, if a Loan Party other than a Dutch Loan Party is party thereto, such other Loan Party is the surviving or continuing entity of such merger, amalgamation or consolidation and (iv) between Subsidiaries of Parent which are not Loan Parties (provided that this clause is not intended to act as a permission for the formation of any Subsidiary that is not a Loan Party), so long as the surviving entity is a Loan Party upon such merger, amalgamation or consolidation and is in compliance with the obligations under Section 5.10. The Administrative Borrower shall deliver to the Agent documents confirming compliance with this Section 6.4(a) within five (5) Business Days of such merger, amalgamation, consolidation, reorganization, recapitalization or reclassification.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for the winding up, liquidation or dissolution of a Loan Party (other than Borrowers) or any of Borrowers' wholly-owned Subsidiaries (other than any IP Holdco) so long as all of the assets, other than up to $10,000 in cash in the case of the Dutch Loan Party (including any interest in any Equity Interests) of such liquidating or dissolving Loan Party or Subsidiary are transferred to a Loan Party (except in the case of a liquidating or dissolving Dutch Loan Party, in the same jurisdiction as the liquidating or dissolving Loan Party) that is not liquidating or dissolving, it being understood that the winding up, liquidation, or dissolution of a Dutch Loan Party shall be permitted if all of the assets (including any interest in any Equity Interests) of such Dutch Loan Party are transferred to any other Loan Party.

(c) Suspend or terminate all or a substantial portion of its or their business, except as permitted pursuant to clause (a) or (b) above or in connection with the transactions permitted pursuant to Section 6.5.

6.5 Disposal of Assets. Convey, sell, lease, license, assign, transfer, or otherwise dispose of (or enter into an agreement to convey, sell, lease, license, assign, transfer, or otherwise dispose of) any assets or Equity Interests of Parent or its Subsidiaries, except for (i) Permitted Dispositions, (ii) transactions expressly permitted by Section 6.4 and (iii) with respect to Equity Interests of Parent only, transactions not constituting a Change of Control, not otherwise expressly prohibited under this Agreement or that would not result in an adverse change to any of Agent's or a Lender's rights under the Loan Documents.

6.6 Change Name. Change the name, organizational identification number, jurisdiction of organization or organizational identity of any Loan Party; provided, that, any Loan Party may change its name so long as such Loan Party gives thirty (30) days prior written notice to Agent of such change.

6.7 Nature of Business. Make any change in the nature of its or their business as presently conducted on the Closing Date or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that, the foregoing shall not be construed to prohibit Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

6.8 Certain Payments of Debt and Amendments.

(a) Other than with respect to Indebtedness hereunder or under any Senior Loan Document or any Term Loan Document, make any payment, prepayment, redemption, retirement, defeasance, purchase or sinking fund payment or other acquisition for value of any of its Indebtedness or make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of any Indebtedness as a result of any asset sale, change of control issuance and sale of debt and equity securities or similar event, or give notice with respect to any of the foregoing (including, without limitation, by way of depositing money or securities with the trustee therefor before the date required for the purpose of paying any portion of such Indebtedness when due), or otherwise set aside or deposit or invest any sums for such purpose, except that:

(i) Loan Parties may make regularly scheduled payments in respect of Indebtedness permitted under clause (b) of the definition of "Permitted Indebtedness" (only in respect of letters of credit listed on Schedule 4.19, and extensions of maturity or replacements of such Indebtedness in the same principal amount) or under clause (c) of the definition of "Permitted Indebtedness" as and when due in respect of such Indebtedness;

(ii) all Loan Parties may make optional prepayments and redemptions of Indebtedness solely with the proceeds of the issuance and sale of Qualified Equity Interests of Parent that constitute Excluded Issuances (as described in clause (d) of the definition thereof); provided, that, as of the date of any such prepayment or redemption, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing;

(iii) Parent and its Subsidiaries may make optional prepayments of Permitted Intercompany Advances to the extent permitted by the Intercompany Subordination Agreement; provided that, (x) so long as on and as of the date of any such prepayment, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing and (y) unless agreed to in writing by the Required Lenders, optional prepayments by a Loan Party of Permitted

Intercompany Advances owing to a Specified Loan Party shall not exceed $600,000 in aggregate principal amount during the term of this Agreement; and

(iv) as to payments in respect of any other Permitted Indebtedness not subject to the provisions above in this Section 6.8, Loan Parties may make payments of regularly scheduled principal and interest or other mandatory prepayments (but in no event any voluntary prepayment) as and when due in respect of such Indebtedness in accordance with the terms thereof as of the date of incurrence (and in the case of Indebtedness that has been contractually subordinated in right of payment to the Obligations or subject to an intercreditor agreement with Agent solely to the extent such payment is permitted at such time under the subordination and/or intercreditor terms and conditions set forth therein or applicable thereto); it being understood that no cash payments of any kind shall be made in respect of the Fourth Lien Note Documents before the Obligations hereunder are satisfied in full in cash.

(b) Directly or indirectly, amend, modify, or change (or permit the amendment, modification or other change in any manner of) any of the terms or provisions of:

(i) any agreements, documents or instruments in respect of any subordinated Indebtedness or any other Indebtedness that is contractually subordinated in right of payment to the Obligations or subject to an intercreditor agreement with Agent unless made in accordance with the terms and provisions of the subordination or intercreditor agreement, as the case may be;

(ii) the certificate of incorporation, memorandum and articles of association, certificate of formation, limited liability agreement, limited partnership agreement or other organizational documents of any Loan Party, except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges of Agent or Lenders under any Loan Document, or otherwise adversely affect the interests of Agent or Lenders in any material respect, as determined by the Agent and Required Lenders, it being understood that any amendment, modification or other change providing for the conversion of any Equity Interest into debt, the issuance of any mandatory cash pay dividends or distributions of any mandatory redemption of any Equity Interest prior to the satisfaction in full in cash of each of the Obligations shall be deemed to materially adversely affect the interests of Agent and Lenders; and

(iii) the Management Agreements and any other agreement listed on Schedule 6.13 except with the prior written consent of the Required Lenders and except for amendments, modifications or other changes that could not reasonably be likely to adversely affect the rights and privileges of Agent or Lenders under any Loan Document, or otherwise adversely affect the interests of Agent or Lenders in any material respect, as determined by the Agent and Required Lenders.

(c) Pay any management fees other than those pursuant to the Management Agreements in form and substance acceptable to the Agent and Required Lenders (or as otherwise modified to the extent permitted by Section 6.8(b)(iii)) and in an amount not exceeding $1,000,000 in the aggregate per year; provided, however, that (a) cash payments on account of such fees may commence no earlier than the third fiscal quarter of 2017 (and for the 2017 fiscal year, be limited to $600,000), (b) the aggregate amount of such fees otherwise payable in cash for the 2016 fiscal year and the first six months of 2017 that have accrued, may be paid in cash in monthly installments not to exceed $75,000 per month commencing with the first month of the third fiscal quarter of 2017 until paid in full (or for so long as cash payments are permitted hereunder, whichever is earlier), (c) no cash payments shall be permitted at any time after the occurrence and during the continuance of any Default or Event of Default or if, *pro*

forma for such payment, the Loan Parties would fail to be in compliance with any applicable financial covenants under this Agreement and (d) payments of such fees to any person also entitled to board fee payments shall be reduced by the amount of such board fee payments (it being understood that the foregoing limitation on payment of management fees shall not preclude the payment by the Loan Parties of customary board fees of up to $60,000 for insider board members and such other customary amounts for non-insider independent board members and such amounts paid to non-insiders (to the extent not benefiting from payments under any Management Agreement) shall not reduce management fees otherwise permitted to be paid pursuant to this Section 6.8(c)).

6.9 Change of Control. Cause, permit, or suffer, directly or indirectly, any Change of Control.

6.10 Restricted Payments. Declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(a) Parent and each Subsidiary may declare and make dividend payments or other distributions payable in the Equity Interests of such Person (other than Disqualified Equity Interests) subject, as applicable, to the pledge requirements set forth in the applicable Security Documents and so long as the payment thereof would not result in a Default or an Event of Default;

(b) any Subsidiary of Parent may pay or make distributions to Parent that are used to make substantially contemporaneous payments to, and Parent may make payments to, repurchase or redeem Equity Interests and options to purchase Equity Interests of Parent held by officers, non-insider directors or employees or former officers, non-insider directors or employees (or their transferees, estates or beneficiaries under their estates) of Parent pursuant to any management equity subscription agreement, employee agreement or stock option agreement or other agreement with such officer, director or employee or former officer, director or employee; provided, that, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate cash consideration paid for all such payments, repurchases or redemptions shall not in any fiscal year of Parent exceed $150,000;

(c) Parent may pay management fees to the extent permitted under Section 6.8;

(d) Parent may repurchase its Equity Interests to the extent such repurchase is deemed to occur upon (i) the non-cash exercise of stock options to the extent such Equity Interests represents a portion of the exercise price of such options and (ii) the non-cash withholding of a portion of such Equity Interests to pay taxes associated therewith, and the purchase of fractional shares of Equity Interests of Parent or any Subsidiary arising out of stock dividends, splits or combinations or business combinations;

(e) any Subsidiary of Parent may pay dividends or other distributions to a Loan Party (including, without limitation, distributions to a Loan Party upon the reduction of capital (by whatsoever name called, including paid in capital, paid up capital or stated capital) of such Subsidiary); and

(f) other Restricted Payments in an aggregate amount not to exceed $30,000 from the Closing Date.

6.11 Accounting Methods. Modify or change its fiscal year or its method of accounting (other than as may be required to conform to GAAP or as permitted under Section 1.2).

6.12 Investments. Directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment, except for Permitted Investments.

6.13 Transactions with Affiliates. Directly or indirectly, enter into or permit to exist any transaction or agreement with any Affiliate (including, without limitation, any transaction or agreement to purchase, acquire or lease any property from, or sell, transfer or lease any property to, any officer, director or other Affiliates of Parent or any of its Subsidiaries), except for:

(a) any employment or compensation arrangement or agreement, employee benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into by Parent or any of its Subsidiaries in the ordinary course of business and payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of Parent or such Subsidiary; provided, that such transactions are not otherwise prohibited by this Agreement;

(b) transactions exclusively between the Loan Parties; provided that such transactions are not otherwise prohibited by this Agreement;

(c) transactions permitted under Section 6.4, 6.8, 6.10 or 6.15 hereof and transactions permitted under clause (r) of the definition of Permitted Indebtedness;

(d) the West Hartford Lease, the Senior Loan Documents, the Term Loan Documents, the Fourth Lien Note Documents and any other agreement as in effect as of the Closing Date and listed on Schedule 6.13, as each such agreement may be amended, modified, supplemented, extended, replaced, refinanced or renewed from time to time (i) in the case of any such agreement governing Indebtedness in accordance with the terms of the Intercreditor Agreement (if applicable) and Section 6.8(b) or (ii) in the case of any other type of agreement (other than any agreement governing Indebtedness) in accordance with the prior written consent of the Required Lenders or such other consent required pursuant to the terms and provisions of Section 14 of this Agreement;

(e) the payment of reasonable and customary (i) fees and reasonable out-of-pocket expenses paid to directors and (ii) indemnities provided on behalf of, the directors of Parent or any Subsidiary;

(f) payments permitted under the Management Agreements in compliance with Section 6.8(c); and

(g) transactions with customers, clients, suppliers, joint venture partners (other than joint ventures with Permitted Holders or any of their Affiliates), or purchasers of, or sellers of goods or services to, a Loan Party, in each case, that are Affiliates of the Loan Parties; provided, that (i) any such transaction is made in the ordinary course of business of the Loan Parties and is in compliance with the terms of this Agreement and (ii) any such transaction is on terms that are no less favorable to Parent or the relevant Subsidiary than those that could have been obtained at the time of such transactions in a comparable transaction by Parent or such Subsidiary with an unrelated person, as determined by the independent members of the Parent's Board of Directors.

6.14 Use of Proceeds. Use the proceeds of the Loan, the Senior Loan Agreement, the Term Loan Agreement or the Fourth Lien Note Indenture for any purpose other than in accordance with the use of proceeds specified in Section 4.26 and the Flow of Funds Agreement.

6.15 Limitation on Issuance of Equity Interests. Except for (i) the issuance or sale of Qualified Equity Interests of Parent, (ii) the issuance and sale of Equity Interests of Parent on the Closing Date as contemplated by the Confirmed Plan of Reorganization and (iii) the issuances or sales of Equity Interests by a Loan Party or any of its Subsidiaries to another Loan Party, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

6.16 Specified Canadian Pension Plans. (i) Maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Specified Canadian Pension Plan, or (ii) acquire an interest in any Person if such Person sponsors, administers, contributes to, participates in or has any liability in respect of, any Specified Canadian Pension Plan, unless the obligation to pay any deficit under any such Specified Canadian Pension Plan would not have priority under applicable law over any Liens created by the Security Documents.

6.17 Sale Leaseback Transactions. Create, incur or suffer to exist, or permit any of its Subsidiaries to create, incur or suffer to exist, any obligations as lessee for the payment of rent for any real or personal property in connection with any sale and leaseback transaction.

6.18 Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of any Loan Party (a) to pay dividends or to make any other distribution on any shares of Equity Interests of such Subsidiary owned by any Loan Party or any of its Subsidiaries, except for those expressly contemplated by Schedule 6.18, (b) to pay or prepay or to subordinate any Indebtedness owed to any Loan Party or any of its Subsidiaries, (c) to make loans or advances to any Loan Party or any of its Subsidiaries or (d) to transfer any of its property or assets to any Loan Party or any of its Subsidiaries, or permit any of its Subsidiaries to do any of the foregoing; provided, however, that nothing in any of clauses (a) through (d) of this Section 6.18 shall prohibit or restrict compliance with:

(i) this Agreement and the other Loan Documents;

(ii) the Senior Loan Agreement and the other Senior Loan Documents;

(iii) the Term Loan Agreement and the other Term Loan Documents;

(iv) the Fourth Lien Note Indenture and the other Fourth Lien Note Documents;

(v) any applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances);

(vi) in the case of clause (d), customary restrictions on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset;

(vii) in the case of clause (d), any agreement, instrument or other document evidencing a Permitted Lien (or the Indebtedness secured thereby) with respect to customary restrictions that apply only to any property or assets subject thereto; or

(viii) customary restrictions imposed by any agreement relating to any other Permitted Indebtedness; provided that any such restrictions or conditions are no more restrictive in any material respect on the Loan Parties and their respective Subsidiaries than the terms of the Loan Documents.

6.19 Limitations on Negative Pledges. Enter into, incur or permit to exist, or permit any Subsidiary to enter into, incur or permit to exist, directly or indirectly, any agreement, instrument, deed, lease or other arrangement that prohibits, restricts or imposes any condition upon the ability of any Loan Party or any Subsidiary of any Loan Party to create, incur or permit to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, or that requires the grant of any security for an obligation if security is granted for another obligation, except the following: (a) this Agreement and the other Loan Documents, (b) the Senior Loan Agreement and the other Senior Loan Documents, (c) the Term Loan Agreement and the other Term Loan Documents, (d) the Fourth Lien Note Indenture and the other Fourth Lien Note Documents, (e) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 6.1 of this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (f) any customary restrictions and conditions contained in any agreements relating to the sale or other disposition of assets or of a Subsidiary pending such sale or other disposition; provided that such restrictions and conditions apply only to the assets or Subsidiary to be sold or disposed of and such sale or disposition is permitted hereunder and (g) customary provisions in leases restricting the assignment or sublet thereof.

6.20 Employee Benefits.

(a) Terminate, or permit any ERISA Affiliate to terminate, any Pension Plan in a manner, or take any other action with respect to any Pension Plan, which could reasonably be expected to result in any material liability of any Loan Party or ERISA Affiliate to the PBGC.

(b) Fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Pension Plan, agreement relating thereto or applicable law, any Loan Party or ERISA Affiliate is required to pay if such failure could reasonably be expected to result in a Material Adverse Change.

(c) Permit to occur, or allow any ERISA Affiliate to permit to occur, any failure to satisfy the minimum funding standards under section 302 of ERISA or section 412 of the IRC, whether or not waived, with respect to any Pension Plan which exceeds $1,200,000 with respect to all Pension Plans in the aggregate.

(d) Except as could not reasonably be expected to have a material liability, acquire, or permit any ERISA Affiliate to acquire, an interest in any Person that causes such Person to become an ERISA Affiliate with respect to a Loan Party or with respect to any ERISA Affiliate if such Person sponsors, maintains or contributes to, or at any time in the six (6) year period preceding such acquisition has sponsored, maintained, or contributed to, (i) any Pension Plan or (ii) any Multiemployer Plan.

(e) Amend, or permit any ERISA Affiliate to amend, a Pension Plan resulting in a material increase in current liability such that a Loan Party or ERISA Affiliate is required to provide security to such Pension Plan under the IRC.

6.21 [Reserved].

6.22 Cash in Deposit Accounts.

(a) Permit any Cash to be held in any account other than a Deposit Account (or, to the extent permitted under the Security Documents, the Excluded Accounts (as defined in the US Security Agreement or any Canadian Security Document, as applicable)) and, as applicable, a Designated Account, in each case, subject to a Control Agreement (or an alternative arrangement under the laws of the Netherlands to similar effect).

(b) Withdraw any sums on deposit in the IP Proceeds Account until such time as the balance therein, after giving effect to any such withdrawal, would be not less than $5,600,000. For the avoidance of doubt, the Loan Parties shall not fund the IP Proceeds Account with cash other than from IP License Proceeds and other proceeds from the disposition of Intellectual Property.

6.23 Collateral Proceeds. Permit any Collateral or any proceeds thereof to be held in any account other than a Designated Account or another Deposit Account subject to a Control Agreement.

6.24 Trade Payables. Permit the amount of accounts payable of the Loan Parties that (i) relate to purchases of materials used in the business conducted by the Loan Parties on the Closing Date and (ii) are more than thirty (30) days past due beyond the due date specified in the applicable invoice relating to such materials, to exceed 48% of the total amount of accounts payable of the Loan Parties that relate to purchases of such types of materials.

6.25 Disclosure re Lenders. Issue or make any press release or other publication, make any disclosure in any public filing, or disclose to any Person (other than any other Loan Party or their Affiliates) any document, terms or agreement, in each case, relating in any way to this Agreement or any other Loan Document, any amendment, waiver or modification thereof, any Lender, any other actual or potential transaction or agreement (relating to a restructuring of the Loan Parties or otherwise) with any Lender (or any proposal thereof), or any discussions with respect to any of the foregoing, in each case, except (x) with the prior written consent of Required Lenders or (y) as required by applicable law.

7. FINANCIAL COVENANTS.

Each Loan Party covenants and agrees that, until payment in full of the Obligations:

7.1 Minimum Liquidity. The Liquidity of the Loan Parties shall be no less than $8,000,000 as of the last day of each calendar month and not less than $5,600,000 at any time; it being understood that amounts in the IP Proceeds Account may be included in such calculation.

7.2 Fixed Charge Coverage Ratio. The Fixed Charge Coverage Ratio for the Loan Parties for the most recent fiscal quarter period ending on or prior to such date shall be at least 0.8:1.0, commencing with the fiscal quarter ending June 30, 2017. Notwithstanding the foregoing, for purposes of determining compliance with the Fixed Charge Coverage Ratio for the fiscal quarters ending in 2017, the Loan Parties shall have the option to compute the numerator and denominator thereof by reference either to the most recently ended twelve month period, or the most recently ended quarters in 2017, with such election to be specified in the applicable Compliance Certificate.

8. EVENTS OF DEFAULT.

Any one or more of the following events shall constitute an event of default (each, an "Event of Default") under this Agreement:

8.1 If any of the Borrowers fails to pay when due and payable, or when declared due and payable, (a) all or any portion of the Obligations consisting of interest, fees, or charges due the Lender Group, reimbursement of Lender Group Expenses, or other amounts (other than any portion thereof constituting principal) constituting Obligations (including any portion thereof that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), and such failure continues for two (2) Business Days, or (b) all or any portion of the principal of the Obligations or any Applicable Prepayment Premium;

8.2 If any Loan Party or any of its Subsidiaries:

(a) fails to perform or observe any covenant or other agreement contained in any of (i) Sections 3.5, 5.1, 5.2, 5.3 (solely if any Borrower or any other Loan Party is not in good standing in its jurisdiction of organization), 5.6, 5.7 (solely if any Borrower refuses to allow Agent or its representatives or agents to visit such Borrower's properties, inspect its assets or books and records, examine and make copies of its books and records, or discuss such Borrower's affairs, finances, and accounts with officers and employees of such Borrower), 5.8, 5.10, 5.11, 5.12, 5.15 or 5.17 of this Agreement; provided, that the Loan Parties' failure to deliver the financial statements, reports and other items described as items (a), (b), (c), (d), (e), (f) and (q) on Schedule 5.1 shall not be an Event of Default until such failure continues for a period of three (3) Business Days or (ii) Article VI of this Agreement; or

(b) fails to perform or observe any covenant or other agreement contained in this Agreement, or in any of the other Loan Documents, in each case, other than any such covenant or agreement that is the subject of another provision of this Section 8 (in which event such other provision of this Section 8 shall govern), and such failure continues for a period of five (5) days after the earlier of (i) the date on which such failure shall first become known to a Responsible Officer of any Loan Party or (ii) the date on which written notice thereof is given to Administrative Borrower by Agent;

8.3 If one or more judgments, orders, or awards for the payment of money involving an aggregate amount of $2,400,000, or more (except to the extent fully covered by cash escrowed to satisfy such judgment, order or award or (other than to the extent of customary deductibles) by insurance pursuant to which the insurer has not denied coverage) is entered or filed against a Loan Party or any of its Subsidiaries, or with respect to any of their respective assets, and either (a) there is a period of thirty (30) consecutive days at any time after the entry of any such judgment, order, or award during which (1) the same is not discharged, satisfied, vacated, or bonded pending appeal, or (2) a stay of enforcement thereof is not in effect, or (b) enforcement proceedings are commenced upon such judgment, order, or award;

8.4 If an Insolvency Proceeding is commenced by a Loan Party or any of its Subsidiaries;

8.5 If (1) an Insolvency Proceeding is commenced against a Loan Party or any of its Subsidiaries and any of the following events occur: (a) such Loan Party or such Subsidiary consents to the institution of such Insolvency Proceeding against it, (b) the petition commencing the Insolvency Proceeding is not timely controverted, (c) the petition commencing the Insolvency Proceeding is not dismissed within thirty (30) calendar days of the date of the filing thereof, (d) an interim trustee is appointed to take possession of all or any substantial portion of the properties or assets of, or to operate all or any substantial portion of the business of, such Loan Party or its Subsidiary, or (e) an order for relief shall have been issued or entered therein or (2) any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, whether voluntary or involuntary, or makes an assignment for the benefit of creditors; or applies for or consents to the

appointment of any Receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any Receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for thirty (30) calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for thirty (30) calendar days, or an order for relief is entered in any such proceeding; or any Loan Party shall be dissolved or liquidated (or any judgment, order or decree therefor shall be entered) except as otherwise permitted herein; or if a creditor's committee has been appointed for the business of any Loan Party under any Debtor Relief Laws or otherwise; or shall have made a general assignment for the benefit of creditors or shall have been adjudicated bankrupt under any Debtor Relief Laws or otherwise, or shall have filed a voluntary petition in bankruptcy or for reorganization or to effect a plan or arrangement with creditors under any Debtor Relief Laws or otherwise, or shall fail to pay its debts generally as such debts become due in the ordinary course of business; or shall file an answer to a creditor's petition or other petition filed against it, admitting the material allegations thereof for an adjudication in bankruptcy or for reorganization; or if an order shall be entered approving any petition for reorganization of a Loan Party or any under any Debtor Relief Laws or otherwise and such order shall not have been reversed or dismissed within thirty (30) calendar days; or any Loan Party commits an act of bankruptcy under the BIA;

8.6 If a Loan Party or any of its Subsidiaries is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of the business affairs of Parent and its Subsidiaries, taken as a whole;

8.7 If there is (a) a default in respect of the Fourth Lien Note Documents or one or more agreements to which a Loan Party or any of its Subsidiaries is a party with one or more third Persons relative to a Loan Party's or any of its Subsidiaries' Indebtedness involving an aggregate amount of $2,400,000 or more (other than Indebtedness hereunder or under the Senior Loan Documents or the Term Loan Documents), and such default (i) occurs at the final maturity of the obligations thereunder, (ii) results in such Indebtedness being declared to be (or becoming) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, or (iii) could result in a right by such third Person, irrespective of whether exercised and without regard to any limitations included in any intercreditor agreement, to accelerate the maturity of such Loan Party's or its Subsidiary's obligations thereunder, (b) a default in respect of the Senior Loan Documents or the Term Loan Documents, and such default (i) is caused by a failure to make any principal or interest payment when due thereunder, which failure continues after the expiration of any grace period provided therein, or (ii) results in any Indebtedness thereunder being declared to be (or becoming) due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, (c) a default in respect of one or more Material Contracts (other than Material Contracts governing Indebtedness) or (d) a default in respect of or an involuntary early termination of one or more Hedge Agreements to which a Loan Party or any of its Subsidiaries is a party;

8.8 If any warranty, representation, certificate, statement, or Record made herein or in any other Loan Document or delivered in writing to Agent or any Lender in connection with this Agreement or any other Loan Document proves to be untrue in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that are qualified or modified by materiality in the text thereof) as of the date of issuance or making or deemed making thereof;

8.9 If the obligation of any Guarantor under the applicable Guaranty ceases to be in full force and effect;

8.10 If the US Security Agreement, Canadian Security Agreement, Dutch Security Agreement or any other Loan Document that purports to create a Lien, shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted expressly herein or in the Intercreditor Agreement, third priority Lien on substantially all of the Loan Parties' assets (with exclusions only to the extent expressly set forth herein or in the Security Documents) except as a result of a disposition of the applicable Collateral in a transaction permitted under this Agreement;

8.11 (a) The occurrence of any damage to, or loss, theft or destruction of, any Collateral having an aggregate book value in excess of $600,000 (exclusive of any damage to Collateral covered by insurance pursuant to which the insurer has not denied coverage) if (i) the proceeds of such insurance are not received by the Loan Parties within ninety (90) days of such occurrence and (ii) such Collateral is not repaired and/or replaced within one-hundred and twenty (120) days of such occurrence or (b) any strike, lockout, labor dispute, embargo, condemnation, act of God or public enemy, or other casualty which causes, for more than fifteen (15) consecutive days, the cessation or substantial curtailment of material revenue producing activities of the Loan Parties, taken as a whole;

8.12 The loss, suspension or revocation of, or failure to renew, any material license or permit now held or hereafter acquired by any Loan Parties;

8.13 (a) The indictment (or an indictment threatened in writing) of any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal capacity) under any criminal statute, or (b) commencement of, or commencement threatened in writing of, criminal or civil proceedings against any Loan Party (or any executive officer thereof acting in such capacity as an executive officer and not in his or her personal capacity), solely to the extent that pursuant to such indictment, statute or proceedings, the penalties or remedies sought or available in connection therewith include forfeiture to any Governmental Authority of any material portion of the property of the Loan Parties, taken as a whole;

8.14 The validity or enforceability of any Loan Document or the Obligations shall at any time for any reason (other than solely as the result of an action or failure to act on the part of Agent) be declared to be null and void, or a proceeding shall be commenced by a Loan Party or its Subsidiaries, or by any Governmental Authority having jurisdiction over a Loan Party or its Subsidiaries, seeking to establish the invalidity or unenforceability thereof, or a Loan Party or its Subsidiaries shall deny that such Loan Party or its Subsidiaries has any liability or obligation purported to be created under any Loan Document;

8.15 If any Loan Party ceases to have the right to use, or the Loan Parties are not in possession and control of, any Specified Government Property;

8.16 (a) The occurrence of an event or condition which could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, which could reasonably be expected to result in liability to any Loan Party in excess of $3,000,000, (b) the imposition of any liability in excess of $3,000,000 under Title I or Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any of its ERISA Affiliates, (c) the occurrence of a nonexempt prohibited transaction under Section 406 or 407 of ERISA for which any Loan Party may be directly or indirectly liable and which is reasonably expected to result in a liability to any Loan Party in excess of $1,200,000, (d) receipt from the Internal Revenue Service of notice of the failure of any Employee Benefit Plan to qualify under Section 401(a) of the IRC, or the failure of any trust forming part of any Employee Plan to fail to qualify for exemption from taxation under Section 501(a) of the IRC, (e) the imposition of any lien on any of the rights, properties or assets of any Loan Party or any of its ERISA Affiliates, in either case pursuant to

Title IV of ERISA, and which lien secures a liability in excess of $1,200,000 or (f) the occurrence of a Bargaining Unit Defined Benefit Plan Calculation Error; provided that any of the foregoing (other than with respect to clauses (a) and (c)) that occurs in connection with a Bargaining Unit Defined Benefit Plan Calculation Error shall not constitute a Default or Event of Default hereunder or under any of the other Loan Documents unless it is a Bargaining Unit Defined Benefit Plan Calculation Error Event;

8.17 An event, circumstance, or change has occurred that has or could reasonably be expected to result in a Material Adverse Change;

8.18 A Dutch Loan Party gives notice under Section 36(2) of the 1990 Tax Collection Act (*Invorderingswet 1990*); or

8.19 A Change of Control shall occur.

Notwithstanding the foregoing, in the event that an Event of Default has occurred as a result solely of the Loan Parties' failure to comply with any of the financial covenants set forth in Section 7.1 or Section 7.2 of this Agreement, Borrowers shall have the right (the "Cure Right") from the last day of an applicable test period until the expiration of the fifth (5^{th}) day subsequent to the date the applicable reports or financial statements are required to be delivered to Agent with respect thereto, to issue Qualified Equity Interests for cash, borrow all or a portion of the Additional Permitted Holder Amount, incur Indebtedness under clause (r) of the definition of Permitted Indebtedness or otherwise receive cash contributions from the Permitted Holders or any of their Affiliates in an aggregate amount equal to, but not greater than, the amount necessary to cure the relevant financial covenant (the "Cure Amount"), and upon the receipt by Borrowers of the Cure Amount thereof, the financial covenant shall then be recalculated giving effect to the following pro forma adjustments: (A) in the case of an Event of Default as a result of the failure to comply with the applicable Fixed Charge Coverage Ratio, (a) Consolidated EBITDA shall be increased for the applicable fiscal quarter and (without duplication) for the subsequent three (3) consecutive Fiscal Quarters, solely for the purpose of the measuring the financial covenant in Section 7.2 and not for any other purpose under this Agreement, by an amount equal to the Cure Amount and (b) if, after giving effect to the foregoing recalculations, Borrowers shall then be in compliance with the requirements of Section 7.2, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of the determination with the same effect as though there had been no failure to comply therewith at such date, and any Default or Event of Default in respect of such breach of Section 7.2 that has occurred shall be deemed not to have occurred for the purpose of this Agreement; and (B) in the case of the requirement of Section 7.1, (a) the amount of Liquidity shall be increased for the applicable calendar month, by an amount equal to the Cure Amount and such Cure Amount may not be used for the purpose of curing any other Event of Default at such time, or for any purpose under this Agreement, but shall be considered as Unrestricted Cash under this Agreement to the extent meeting the requirements in such definition, and (b) if, after giving effect to the forgoing recalculations, Borrowers shall then be in compliance with the requirement of Section 7.1, Borrowers shall be deemed to have been in compliance with such financial covenant as of the relevant date of determination with the same effect as if they had been in compliance as at that date. In the event that (i) no Default or Event of Default exists other than one arising due to failure of the Borrowers to comply with the financial covenants set forth in Section 7 and (ii) Borrowers shall have delivered to Agent an irrevocable written notice to exercise the Cure Right (which notice shall be delivered no earlier than fifteen (15) days prior to, and no later than the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1) (a "Cure Notice"), which exercise if fully consummated would be sufficient in accordance with the terms hereof to cause Borrowers to be in compliance with the financial covenants as of the relevant date of determination, then following receipt by Agent of any such Cure Notice and until the date that is the fifth (5^{th}) day subsequent to the date the applicable report or financial statements are required to be delivered pursuant to Section 5.1, neither Agent nor any Lender shall exercise any remedies set forth in Section 9 hereof

during such period solely as a result of the existence of such Defaults or Events of Default. Notwithstanding anything herein to the contrary, (i) in no event shall Borrowers be permitted to exercise the Cure Right hereunder more than three (3) times in the aggregate during period from January 1, 2017 to the Maturity Date, (ii) in each consecutive four (4) quarter period, there shall be as least two (2) fiscal quarters in which Borrowers do not exercise the Cure Right (provided that such limitation shall not apply until July 1, 2017), (iii) to the extent the Cure Amount is used to prepay the Loan, for the purposes of calculating Indebtedness during the fiscal quarter for which a Cure Amount is used, Indebtedness of the Loan Parties shall be calculated as if the Cure Amount was not applied to reduce the Loan and (iv) in the event that Borrowers fail to timely deliver a Cure Notice, fail to receive the Cure Amount or any other Default or Event of Default shall occur (including failure to timely deliver any financial statements and other reports pursuant to Section 5.1), the funding of the Cure Amount alone shall not result in a deemed waiver or cure of any such other Default or Event of Default.

9. RIGHTS AND REMEDIES.

9.1 Rights and Remedies. Upon the occurrence and during the continuation of an Event of Default, Agent, upon the written instruction of the Required Lenders, shall (in each case under clause (a) by written notice to Administrative Borrower), in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following:

(a) declare the Obligations, whether evidenced by this Agreement or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by each Borrower; and

(b) exercise all other rights and remedies available to Agent or the Lenders under the Loan Documents (including, without limitation, Section 9.3 hereof) or applicable law.

The foregoing to the contrary notwithstanding, upon the occurrence of any Event of Default described in Section 8.4 or Section 8.5, in addition to the remedies set forth above, without any notice to any Borrower or any other Person or any act by the Lender Group, the Obligations, inclusive of all accrued and unpaid interest thereon, the Applicable Prepayment Premium and all fees and all other amounts owing under this Agreement or under any of the other Loan Documents, shall automatically and immediately become due and payable and Borrowers shall be obligated to repay all of such Obligations in full, without presentment, demand, protest, or notice of any kind, all of which are expressly waived by each Loan Party. The Loan Parties shall cooperate fully with the Agent and the Lenders in their exercise of rights and remedies, whether against the Collateral or otherwise.

Without limiting the generality of the foregoing, it is understood and agreed that if the Obligations are accelerated or otherwise become due prior to the Maturity Date, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Insolvency Proceeding (including the acceleration of claims by operation of law)), the Applicable Prepayment Premium will also be due and payable and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Lender's lost profits as a result thereof, and such premiums shall be presumed to be the liquidated damages sustained by each Lender as a result of the early prepayment and the Borrowers agree that it is reasonable under the circumstances currently existing. The Applicable Prepayment Premium shall also be payable in the event the Loan (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 EXPRESSLY WAIVE (TO THE FULLEST EXTENT OF APPLICABLE LAW) THE PROVISIONS OF

ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUMS IN CONNECTION WITH ANY SUCH ACCELERATION. The Borrowers expressly agree (to the fullest extent of applicable law) that: (A) the Applicable Prepayment Premium is reasonable and the product of an arms' length transaction between sophisticated business people, ably represented by counsel; (B) the Applicable Prepayment Premium shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between the Lenders and the Borrowers giving specific consideration in this transaction for such agreement to pay the premium; and (D) the Borrowers shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Borrowers expressly acknowledge that its agreement to pay the Applicable Prepayment Premium as herein described is a material inducement to the Lenders to make the Loan.

9.2 Remedies Cumulative. The rights and remedies of the Lender Group under this Agreement, the other Loan Documents, and all other agreements shall be cumulative. The Lender Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.3 Appointment of a Receiver. Upon the occurrence and during the continuance of an Event of Default, Agent (upon the written direction of the Required Lenders) shall seek the appointment of a Receiver under the laws of Canada or any province thereof to take possession of all or any portion of the Collateral of any Loan Party or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a Receiver without the requirement of prior notice or a hearing. Any such Receiver shall, to the extent permitted by law, so far as concerns responsibility for his/her acts, be deemed to be an agent of such Loan Party and not Agent and the Lenders, and Agent and the Lenders shall not be in any way responsible for any misconduct, negligence or nonfeasance on the part of any such Receiver, or his/her servants or employees, absent the gross negligence or willful misconduct of the Agent or the Lenders as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral of any Loan Party, to preserve Collateral of such Loan Party or its value, to carry on or concur in carrying on all or any part of the business of such Loan Party and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral of such Loan Party. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including a Loan Party, enter upon, use and occupy all premises owned or occupied by a Loan Party wherein Collateral of such Loan Party may be situated, maintain Collateral of a Loan Party upon such premises, borrow money on a secured or unsecured basis and use Collateral of a Loan Party directly in carrying on such Loan Party's business or as security for loans or advances to enable the Receiver to carry on such Loan Party's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent (upon the direction of the Required Lenders), all money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Agent. Every such Receiver may, in the discretion of the Required Lenders, be vested with all or any of the rights and powers of Agent and the Lenders. Agent (upon the direction of the Required Lenders) shall, either directly or through its nominees, exercise any or all powers and rights given to a Receiver by virtue of the foregoing provisions of this Section 9.3.

9.4 Code and Other Remedies.

(a) Code Remedies. During the continuance of an Event of Default, the Agent may exercise, in addition to all other rights and remedies granted to it in this Agreement (including, without limitation, Section 9.1) and in any other instrument or agreement securing, evidencing or relating to any

Obligation, all rights and remedies of a secured party under the Code or any other applicable law.

(b) Disposition of Collateral. Without limiting the generality of the foregoing, the Agent may, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon any Loan Party or any other Person (all and each of which demands, defenses, advertisements and notices are hereby waived), during the continuance of any Event of Default (personally or through its agents or attorneys), (i) enter upon the premises where any Collateral is located, without any obligation to pay rent, through self-help, without judicial process, without first obtaining a final judgment or giving any Loan Party or any other Person notice or opportunity for a hearing on the Agent's claim or action, (ii) collect, receive, appropriate and realize upon any Collateral, (iii) Sell, grant option or options to purchase and deliver any Collateral (enter into contractual obligations to do any of the foregoing), in one or more parcels at public or private sale or sales, at any exchange, broker's board or office of any Secured Party or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk, (iv) withdraw all cash and Cash Equivalents in any Deposit Account or Securities Account of a Loan Party and apply such cash and Cash Equivalents and other cash, if any, then held by it as Collateral in satisfaction of the Obligations, and (v) give notice and take sole possession and control of all amounts on deposit in or credited to any Deposit Account or Securities Account pursuant to the related Control Agreement. The Agent shall have the right, upon any such public sale or sales and, to the extent permitted by the Code and other applicable Requirements of Law, upon any such private sale, to purchase the whole or any part of the Collateral so sold (and, in lieu of actual payment of the purchase price, may "credit bid" or otherwise set off the amount of such price against the Obligations), free of any right or equity of redemption of any Loan Party, which right or equity is hereby waived and released.

(c) Management of the Collateral. Each Loan Party further agrees, that, during the continuance of any Event of Default, (i) at the Agent's request, it shall assemble the Collateral and make it available to the Agent at places that the Agent shall reasonably select, whether at such Loan Party's premises or elsewhere, (ii) without limiting the foregoing, the Agent also has the right to require that each Loan Party store and keep any Collateral pending further action by the Agent and, while any such Collateral is so stored or kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain such Collateral in good condition, (iii) until the Agent is able to Sell any Collateral, the Agent shall have the right to hold or use such Collateral to the extent that it deems appropriate for the purpose of preserving the Collateral or its value or for any other purpose deemed appropriate by the Agent and (iv) the Agent may, if it so elects, seek the appointment of a Receiver or keeper to take possession of any Collateral and to enforce any of the Agent's remedies (for the benefit of the Secured Parties), with respect to such appointment without prior notice or hearing as to such appointment. The Agent shall not have any obligation to any Loan Party to maintain or preserve the rights of any Loan Party as against third parties with respect to any Collateral while such Collateral is in the possession of the Agent.

(d) Direct Obligation. Neither the Agent nor any other Secured Party shall be required to make any demand upon, or pursue or exhaust any right or remedy against, any Loan Party, any other Loan Party or any other Person with respect to the payment of the Obligations or to pursue or exhaust any right or remedy with respect to any Collateral therefor or any direct or indirect guaranty thereof. All of the rights and remedies of the Agent and any other Secured Party under any Loan Document shall be cumulative, may be exercised individually or concurrently and not exclusive of any other rights or remedies provided by any Requirement of Law. To the extent it may lawfully do so, each Loan Party absolutely and irrevocably waives and relinquishes the benefit and advantage of, and covenants not to assert against the Agent or any Lender, any valuation, stay, appraisement, extension, redemption or similar laws and any and all rights or defenses it may have as a surety, now or hereafter

existing, arising out of the exercise by them of any rights hereunder. If any notice of a proposed sale or other disposition of any Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least 10 days before such sale or other disposition.

(e) Commercially Reasonable. To the extent that applicable Requirements of Law impose duties on the Agent to exercise remedies in a commercially reasonable manner, each Loan Party acknowledges and agrees that it is not commercially unreasonable for the Agent to do any of the following:

(i) fail to incur significant costs, expenses or other Liabilities reasonably deemed as such by the Agent to prepare any Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition;

(ii) fail to obtain Permits, or other consents, for access to any Collateral to Sell or for the collection or Sale of any Collateral, or, if not required by other Requirements of Law, fail to obtain Permits or other consents for the collection or disposition of any Collateral;

(iii) fail to exercise remedies against account debtors or other Persons obligated on any Collateral or to remove Liens on any Collateral or to remove any adverse claims against any Collateral;

(iv) advertise dispositions of any Collateral through publications or media of general circulation, whether or not such Collateral is of a specialized nature or to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring any such Collateral;

(v) exercise collection remedies against account debtors and other Persons obligated on any Collateral, directly or through the use of collection agencies or other collection specialists, hire one or more professional auctioneers to assist in the disposition of any Collateral, whether or not such Collateral is of a specialized nature or, to the extent deemed appropriate by the Agent, obtain the services of other brokers, investment bankers, consultants and other professionals to assist the Agent in the collection or disposition of any Collateral, or utilize Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that match buyers and sellers of assets to dispose of any Collateral;

(vi) dispose of assets in wholesale rather than retail markets;

(vii) disclaim disposition warranties, such as title, possession or quiet enjoyment; or

(viii) purchase insurance or credit enhancements to insure the Agent against risks of loss, collection or disposition of any Collateral or to provide to the Agent a guaranteed return from the collection or disposition of any Collateral.

(f) Each Loan Party acknowledges that the purpose of this Section 9.4 is to provide a non- exhaustive list of actions or omissions that are commercially reasonable when exercising remedies against any Collateral and that other actions or omissions by the Secured Parties shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 9.4. Without limitation upon the foregoing, nothing contained in this Section 9.4 shall be construed to grant any rights to any Loan Party or to impose any duties on the Agent that would not have been granted or imposed by this Agreement or by applicable Requirements of Law in the absence of this Section 9.4. The Lender

Group shall have all other rights and remedies not inconsistent herewith as provided under the Code, the PPSA, by law, or in equity. No exercise by the Lender Group of one right or remedy shall be deemed an election, and no waiver by the Lender Group of any Event of Default shall be deemed a continuing waiver. No delay by the Lender Group shall constitute a waiver, election, or acquiescence by it.

9.5 Accounts and Payments in Respect of General Intangibles.

(a) In addition to, and not in substitution for, any other provision in this Agreement, if required by the Agent at any time during the continuance of an Event of Default, on and after the date on which at least one Deposit Account or Securities Account has been established, any payment of accounts or payment in respect of general intangibles, when collected by any Loan Party, shall be promptly (and, in any event, within 2 Business Days) deposited by such Loan Party in the exact form received, duly indorsed by such Loan Party to the Agent, in such account, subject to withdrawal by the Agent as provided in Section 9.5. Until so turned over, such payment shall be held by such Loan Party in trust for the Agent, segregated from other funds of such Loan Party. Each such deposit of proceeds of accounts and payments in respect of general intangibles shall be accompanied by a report identifying in reasonable detail the nature and source of the payments included in the deposit.

(b) At any time during the continuance of an Event of Default:

(i) each Loan Party shall, upon the Agent's request, deliver to the Agent all original and other documents evidencing, and relating to, the contractual obligations and transactions that gave rise to any account or any payment in respect of general intangibles, including all original orders, invokes and shipping receipts and notify account debtors that the accounts or general intangibles have been collaterally assigned to the Agent and that payments in respect thereof shall be made directly to the Agent;

(ii) the Agent may, without notice, at any time during the continuance of an Event of Default, limit or terminate the authority of a Loan Party to collect its accounts or amounts due under general intangibles or any thereof and, in its own name or in the name of others, communicate with account debtors to verify with them to the Agent's reasonable satisfaction the existence, amount and terms of any account or amounts due under any general intangible. In addition, the Agent may at any lime enforce such Loan Party's rights against such account debtors and obligors of general intangibles; and

(iii) each Loan Party shall take all actions, deliver all documents and provide all information necessary or reasonably requested by the Agent to ensure any Internet domain name is registered.

(c) Anything herein to the contrary notwithstanding, each Loan Party shall remain liable under each account and each payment in respect of general intangibles to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with the terms of any agreement giving rise thereto. No Secured Party shall have any obligation or liability under any agreement giving rise to an account or a payment in respect of a general intangible by reason of or arising out of any Loan Document or the receipt by any Secured Party of any payment relating thereto, nor shall any Secured Party be obligated in any manner to perform any obligation of any Loan Party under or pursuant to any agreement giving rise to an account or a payment in respect of a general intangible, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party thereunder, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts that may have been assigned to it or to which it may be entitled at any time or times.

9.6 Proceeds to be Turned over to and Held by Agent. Unless otherwise expressly provided in this Agreement, upon the occurrence and during the continuance of an Event of Default, all proceeds of any Collateral received by any Loan Party hereunder in cash or Cash Equivalents shall be held by such Loan Party in trust for the Agent and the other Secured Parties, segregated from other funds of such Loan Party, and shall, promptly upon receipt by any Loan Party, be turned over to the Agent in the exact form received (with any necessary endorsement). All such proceeds of Collateral and any other proceeds of any Collateral received by the Agent in cash or Cash Equivalents shall be held by the Agent in a Deposit Account or Securities Account. All proceeds being held by the Agent in a Deposit Account or Securities Account (or by such Loan Party in trust for the Agent) shall continue to be held as collateral security for the Obligations and shall not constitute payment thereof until applied as provided in this Agreement.

9.7 Registration Rights.

(a) Each Loan Party recognizes that the Agent may be unable to effect a public sale of any pledged Collateral by reason of certain prohibitions contained in the Securities Act, and applicable state, provincial, territorial or foreign securities laws or otherwise or may determine that a public sale is impracticable, not desirable or not commercially reasonable and, accordingly, may resort to one or more private sales thereof to a restricted group of purchasers that shall be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Each Loan Party acknowledges and agrees that any such private sale may result in prices and other terms less favorable than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Agent shall be under no obligation to delay a sale of any pledged Collateral for the period of time necessary to permit the issuer thereof to register such securities for public sale under the Securities Act, or under applicable state, provincial, territorial or foreign securities laws even if such issuer would agree to do so.

(b) Upon the occurrence and during the continuance of an Event of Default, each Loan Party agrees to use its commercially reasonable efforts to do or cause to be done all such other acts as may be necessary to make such sale or sales of any portion of the pledged Collateral pursuant to this Section 9.7, valid and binding and in compliance with all applicable Requirements of Law provided that no Loan Party shall have any obligation to publicly register any securities. Each Loan Party further agrees that a breach of any covenant contained in this Section 9.7 will cause irreparable injury to the Agent and other Secured Parties, that the Agent and the other Secured Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 9.7 shall be specifically enforceable against such Loan Party, and such Loan Party hereby waives and agrees not to assert any defense against an action for specific performance of such covenants except for a defense that no Event of Default has occurred under this Agreement.

9.8 Deficiency. Each Loan Party shall remain liable for any deficiency if the proceeds of any sale or other disposition of any Collateral are insufficient to pay the Obligations and the fees and disbursements of any attorney employed by the Agent or any other Secured Party to collect such deficiency.

10. WAIVERS; INDEMNIFICATION.

10.1 Demand; Protest; etc. Each Borrower waives demand, protest, notice of protest, notice of default or dishonor, notice of payment and nonpayment, nonpayment at maturity, release, compromise, settlement, extension, or renewal of documents, instruments, chattel paper, and guarantees at any time held by the Lender Group on which such Borrower may in any way be liable.

10.2 The Lender Group's Liability for Collateral. Each Borrower hereby agrees that: (a) so long as Agent complies with its obligations, if any, under the Code and the PPSA, the Lender Group shall not in any way or manner be liable or responsible for: (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, warehouseman, bailee, forwarding agency, or other Person, and (b) all risk of loss, damage, or destruction of the Collateral shall be borne by Borrowers, other than any such loss or damage resulting from the gross negligence or willful misconduct of the Agent or any member of the Lender Group, as determined by final non-appealable order of a court of competent jurisdiction.

10.3 Indemnification. Borrowers and the other Loan Parties shall pay, indemnify, defend, and hold the Agent-Related Persons and the Lender-Related Persons (each, an "Indemnified Person") harmless (to the fullest extent permitted by law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys (limited to one U.S. counsel to Agent-Related Persons and one U.S. counsel and one local U.S. counsel to Lender-Related Persons, one Canadian counsel to Agent-Related Persons and one Canadian counsel to Lender-Related Persons, one Dutch counsel to Agent-Related Persons and one Dutch counsel to Lender-Related Persons and any local or regulatory counsel to Agent-Related Persons and Lender-Related Persons reasonably selected by Agent, one additional counsel for the Lenders (taken as a whole) if an Event of Default has occurred and is continuing and, if the interests of any Agent-Related Person or Lender-Related Person are distinctly and disproportionately affected, one additional counsel for such affected Person), experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (promptly upon demand of Agent but in any event not later than five (5) days of demand therefor by Agent irrespective of (1) the provisions of Section 17.10 hereof and (2) whether suit is brought), at any time asserted against, imposed upon, or incurred by any of them (a) in connection with or as a result of or related to the execution and delivery incurred in advising, structuring, drafting, reviewing, administering or syndicating the Loan Documents, enforcement, performance, or administration (including any restructuring or workout with respect hereto) of this Agreement, any of the other Loan Documents, or the transactions contemplated hereby or thereby or the monitoring of Parent's and its Subsidiaries' compliance with the terms of the Loan Documents (provided, however, that the indemnification in this clause (a) shall not extend to (i) disputes solely between or among the Lenders or (ii) disputes solely between or among the Lenders and their respective Affiliates; it being understood and agreed that the indemnification in this clause (a) shall extend to Agent (but not the Lenders) relative to disputes between or among Agent (in its capacity as such) on the one hand, and one or more Lenders, or one or more of their Affiliates, on the other hand), (b) with respect to any investigation, litigation, or proceeding related to this Agreement, any other Loan Document, or the use of the proceeds of the credit provided hereunder (irrespective of whether any Indemnified Person is a party thereto), or any act, omission, event, or circumstance in any manner related thereto, and (c) in connection with, arising out of, or related to any Environmental Liabilities, Environmental Action or Remedial Action, including, without limitation, any actual or alleged presence or Release of Hazardous Materials at, on, under, to or from any assets or properties owned, leased or operated by Parent or any of its Subsidiaries (each and all of the foregoing, the "Indemnified Liabilities"); provided that the Indemnified Liabilities shall not include any Taxes or any costs attributable to Taxes, which shall be governed by Section 16. The foregoing to the contrary notwithstanding, no Loan Party shall have any obligation to any Indemnified Person under this Section 10.3 with respect to any Indemnified Liability that a court of competent jurisdiction determines by a final non-appealable order to have resulted from the gross negligence or willful misconduct of such Indemnified Person or its officers, directors, employees, attorneys, or agents. This provision shall survive the termination of this Agreement and the repayment of the Obligations. If any Indemnified Person makes any payment to any other Indemnified Person with respect to an Indemnified Liability as to which any Loan Party was required to indemnify the Indemnified Person receiving such payment, the

Indemnified Person making such payment is entitled to be indemnified and reimbursed by Loan Parties with respect thereto. To the fullest extent permitted by Requirements of Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnified Person, 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. Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, fees and expenses for documentation and negotiation of this Agreement and the other Loan Documents incurred prior to the Closing Date and payable to Orrick, Herrington & Sutcliffe LLP shall not exceed $100,000.

11. NOTICES.

Unless otherwise provided in this Agreement, all notices or demands relating to this Agreement or any other Loan Document shall be in writing and (except for financial statements and other informational documents which may be sent by first-class mail, postage prepaid) shall be personally delivered or sent by registered or certified mail (postage prepaid, return receipt requested), overnight courier, electronic mail (at such email addresses as a party may designate in accordance herewith), or facsimile. In the case of notices or demands to Loan Parties or Agent, as the case may be, they shall be sent to the respective address set forth below:

If to Loan Parties:	Colt Defense LLC 547 New Park Avenue West Hartford, CT 06110 Attn: John Coghlin Fax No. (860) 244-1442 Phone: (860) 232-4489 Email: jcoghlin@colt.com
with copies to:	O'Melveny & Myers LLP 7 Times Square New York, NY 10036 Attn: Sung Pak, Esq. Fax No.: (212) 326-2061
If to Agent:	Cantor Fitzgerald Securities 110 East 59th Street New York, NY 10022 Attn: Jon Stapleton Fax No.: [ ] Phone: [ ] Email: JStapleton@cantor.com
with copies to:	Cantor Fitzgerald Securities 110 East 59th Street New York, NY 10022 Attn: Nils Horning Fax No.: (646) 219-1180 Email: NHorning@cantor.com

- and -

Orrick, Herrington & Sutcliffe LLP
51 West 52nd Street
New York, NY 10019
Attn: B.J. Rosen
Phone: (212) 506-5246
Email: bjrosen@orrick.com

If to a Lender: to the address of such Lender specified on Schedule A-1

with copies to:

Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Steven B. Levine, Esq.
Fax No. (617) 856-8201
Phone: (617) 856-8587
Email: slevine@brownrudnick.com

- and -

Brown Rudnick LLP
One Financial Center
Boston, Massachusetts 02111
Attn: Mary D. Bucci, Esq.
Fax No. (617) 289-0478
Phone: (617) 856-8134
Email: mbucci@brownrudnick.com

Any party hereto may change the address at which they are to receive notices hereunder, by notice in writing in the foregoing manner given to the other party. All notices or demands sent in accordance with this Section 11, shall be deemed received on the earlier of the date of actual receipt or three (3) Business Days after the deposit thereof in the mail; provided, that (a) notices sent by overnight courier service shall be deemed to have been given when received, (b) notices by facsimile 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) and (c) notices by electronic mail shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment).

12. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.

(a) **THE VALIDITY OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (UNLESS EXPRESSLY PROVIDED TO THE CONTRARY IN ANOTHER LOAN DOCUMENT IN RESPECT OF SUCH OTHER LOAN DOCUMENT), THE CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT HEREOF AND THEREOF, AND THE RIGHTS OF THE PARTIES HERETO AND THERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR THEREUNDER OR RELATED HERETO OR**

THERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES.

(b) **THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE OF NEW YORK AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK, STATE OF NEW YORK; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT AGENT'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE AGENT ELECTS TO BRING SUCH ACTION OR WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP WAIVE, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 12(B).**

(c) **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH LOAN PARTY AND EACH MEMBER OF THE LENDER GROUP REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH 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.**

(d) **SUBJECT TO THE LAST SENTENCE OF THIS SECTION 12(D) EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF NEW YORK AND THE STATE OF NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT. 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 OR ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT AGENT 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.**

13. ASSIGNMENTS AND PARTICIPATIONS; SUCCESSORS.

13.1 Assignments and Participations.

(a) Any Lender may at any time assign to one or more Eligible Transferees (each, an "Assignee") all or a portion of its rights and obligations under this Agreement (including all or a portion of the Obligations at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) The aggregate amount of the principal outstanding balance of the Obligations of the assigning Lender subject to such assignment shall be not less than $1,000,000, unless the Agent otherwise consents, except that such minimum amount shall not apply to (A) an assignment or delegation by any Lender to any other Lender, an Affiliate of any Lender or a Related Fund or (B) a group of new Lenders, each of which is an Affiliate of each other or a Related Fund of such new Lender to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000 or (C) in the case of an assignment of the entire remaining amount of the assigning Lender's Obligations at the time owing to it.

(ii) Each partial assignment shall be made as an assignment of a proportionate part of all of the assigning Lender's rights and obligations under this Agreement.

(iii) The consent of the Agent (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for any assignment, other than any assignment to a Lender, an Affiliate of a Lender or a Related Fund.

(iv) The parties to each assignment shall execute and deliver to the Agent an Assignment and Acceptance (substantially in the form of Exhibit A-1), together with a processing fee of $3,500; provided that Agent may, in its discretion, elect to reduce or waive such processing fee in the case of any assignment (and shall waive such fee if the assignment is from a Lender to an Affiliate of such Lender), and the assignee, if it is not a Lender, shall deliver to the Agent an administrative questionnaire in a form reasonably satisfactory to Agent.

(v) No such assignment shall be made to (A) a Loan Party or an Affiliate of any Loan Party, (B) any Defaulting Lender or any of its Subsidiaries or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or one of its Subsidiaries, (C) a natural Person or (D) any Disqualified Lender.

(vi) Borrowers and Agent may continue to deal solely and directly with a Lender in connection with the interest so assigned to an Assignee until (A) written notice of such assignment, together with payment instructions, addresses, and related information with respect to the Assignee, have been given to Administrative Borrower and Agent by such Lender and the Assignee, or (B) such Lender and its Assignee have delivered to Administrative Borrower and Agent an Assignment and Acceptance and Agent has notified the assigning Lender of its receipt thereof in accordance with this Section 13.1(a) and the satisfaction of the other conditions herein.

(b) From and after the date that Agent has recorded the assignment in the Register and Agent notifies the assigning Lender (with a copy to Administrative Borrower) that it has received an executed Assignment and Acceptance and, if applicable, payment of the required processing fee, (i) the Assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, shall be a "Lender" and shall have the rights and obligations of a Lender under the Loan Documents, and (ii) the assigning Lender shall, to the extent that rights and obligations hereunder and under the other Loan Documents have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights (except with respect to Section 10.3) and be released from any future obligations under this Agreement (and in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and

obligations under this Agreement and the other Loan Documents, such Lender shall cease to be a party hereto and thereto); provided, however, that nothing contained herein shall release any assigning Lender from obligations that survive the termination of this Agreement, including such assigning Lender's obligations under Section 15 and Section 17.9(a).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the Assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other Loan Document furnished pursuant hereto, (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Borrower or the performance or observance by any Borrower of any of its obligations under this Agreement or any other Loan Document furnished pursuant hereto, (iii) such Assignee confirms that it has received a copy of this Agreement, together with such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance, (iv) such Assignee will, independently and without reliance upon Agent, such assigning Lender or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement, (v) such Assignee appoints and authorizes Agent to take such actions and to exercise such powers under this Agreement and the other Loan Documents as are delegated to Agent, by the terms hereof and thereof, together with such powers as are reasonably incidental thereto, and (vi) such Assignee agrees that it will perform all of the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) Immediately upon Agent's receipt of the required processing fee, if applicable, and delivery of notice to the assigning Lender pursuant to Section 13.1(b), this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to reflect the addition of the Assignee.

(e) Any Lender may at any time sell to one or more commercial banks, financial institutions, or other Persons (a "Participant") participating interests in all or any portion of its Obligations, its Commitment, and the other rights and interests of that Lender (the "Originating Lender") hereunder and under the other Loan Documents; provided, however, that (i) the Originating Lender shall remain a "Lender" for all purposes of this Agreement and the other Loan Documents, and the Participant receiving the participating interest in the Obligations and the other rights and interests of the Originating Lender hereunder shall not constitute a "Lender" hereunder or under the other Loan Documents, and the Originating Lender's obligations under this Agreement shall remain unchanged, (ii) the Originating Lender shall remain solely responsible for the performance of such obligations, (iii) Borrowers, Agent, and the Lenders shall continue to deal solely and directly with the Originating Lender in connection with the Originating Lender's rights and obligations under this Agreement and the other Loan Documents, (iv) no Lender shall transfer or grant any participating interest under which the Participant has the right to approve any amendment to, or any consent or waiver with respect to, this Agreement or any other Loan Document, except to the extent such amendment to, or consent or waiver with respect to this Agreement or of any other Loan Document would (A) extend the final maturity date of the Obligations hereunder in which such Participant is participating, (B) reduce the interest rate applicable to the Obligations hereunder in which such Participant is participating, (C) release all or substantially all of the Collateral or guaranties (except to the extent expressly provided herein or in any of the Loan Documents) supporting the Obligations hereunder in which such Participant is participating, (D) postpone the payment of, or reduce the amount of, the interest or fees payable to such Participant through such Lender (other than a waiver of default interest), or (E) decreases the amount or postpones the due dates of scheduled principal repayments or prepayments or premiums payable to such

Participant through such Lender, and (v) all amounts payable (other than with respect to Section 16) by Borrowers hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each Participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any Participant only shall be derivative through the Originating Lender with whom such Participant participates and no Participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, Agent, Loan Parties, the Collections of Loan Parties, the Collateral, or otherwise in respect of the Obligations. For the avoidance of doubt, a Participant shall be entitled to the benefits of Section 16 (subject to the requirements and limitations therein, including the requirements under Section 16.2 and the provisions of Section 14.2) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 13.1. No Participant shall have the right to participate directly in the making of decisions by the Lenders among themselves.

(f) In connection with any such assignment or participation or proposed assignment or participation or any grant of a security interest in, or pledge of, its rights under and interest in this Agreement, a Lender may, subject to the provisions of Section 17.9, disclose all documents and information which it now or hereafter may have relating to Parent and its Subsidiaries and their respective businesses.

(g) Any other provision in this Agreement notwithstanding, any Lender may at any time create a security interest in, or pledge, all or any portion of its rights under and interest in this Agreement in favor of any Federal Reserve Bank in accordance with Regulation A of the Federal Reserve Bank or U.S. Treasury Regulation 31 CFR §203.24, and such Federal Reserve Bank may enforce such pledge or security interest in any manner permitted under applicable law.

(h) Agent (as a non-fiduciary agent on behalf of Borrowers) shall maintain, or cause to be maintained, a register (the "Register") on which it enters the name and address of each Lender as the registered owner of the Loan (and the principal amount thereof and stated interest thereon) held by such Lender (each, a "Registered Loan"), a copy of which shall be made available to each Lender promptly upon its request therefor. A Registered Loan (and the registered note, if any, evidencing the same) may be assigned or sold in whole or in part only by registration of such assignment or sale on the Register (and each registered note shall expressly so provide) and any assignment or sale of all or part of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by registration of such assignment or sale on the Register, together with the surrender of the registered note, if any, evidencing the same duly endorsed by (or accompanied by a written instrument of assignment or sale duly executed by) the holder of such registered note, whereupon, at the request of the designated assignee(s) or transferee(s), one or more new registered notes in the same aggregate principal amount shall be issued to the designated assignee(s) or transferee(s). Prior to the registration of assignment or sale of any Registered Loan (and the registered note, if any evidencing the same), Borrowers shall treat the Person in whose name such Registered Loan (and the registered note, if any, evidencing the same) is registered as the owner thereof for the purpose of receiving all payments thereon and for all other purposes, notwithstanding notice to the contrary.

(i) In the event that a Lender sells participations in the Registered Loan, such Lender, as a non-fiduciary agent on behalf of Borrowers, shall maintain (or cause to be maintained) a register on which it enters the name of all participants in the Registered Loans held by it (and the principal amount (and stated interest thereon) of the portion of such Registered Loans that is subject to such participations) (the "Participant Register"). A Registered Loan (and the registered note, if any,

evidencing the same) may be participated in whole or in part only by registration of such participation on the Participant Register (and each registered note shall expressly so provide). Any participation of such Registered Loan (and the registered note, if any, evidencing the same) may be effected only by the registration of such participation on the Participant Register.

(j) Agent shall make a copy of the Register (and each Lender shall make a copy of its Participant Register in the extent it has one) available for review by Borrowers from time to time as Borrowers may reasonably request.

13.2 Successors. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties hereto; provided, however, that no Borrower may assign this Agreement or any rights or duties hereunder without the Lenders' prior written consent and notice thereof to Agent and any prohibited assignment shall be absolutely void *ab initio*. No consent to assignment by the Lenders shall release any Borrower from its Obligations. A Lender may assign this Agreement and the other Loan Documents and its rights and duties hereunder and thereunder pursuant to Section 13.1 and no consent or approval by any Borrower is required in connection with any such assignment.

14. AMENDMENTS; WAIVERS.

14.1 Amendments and Waivers.

(a) No amendment, waiver or other modification of any provision of this Agreement or any other Loan Document (other than the Fee Letter), and no consent with respect to any departure by any Loan Party therefrom, shall be effective unless the same shall be in writing and signed by the Required Lenders (or by Agent at the written request of the Required Lenders) and the Loan Parties that are party thereto, and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given; provided, however, that no such waiver, amendment, or consent shall, unless in writing and signed by all of the Lenders directly affected thereby and all of the Loan Parties that are party thereto, do any of the following:

(i) increase the amount of or extend the expiration date of any Commitment of any Lender,

(ii) postpone or delay any date fixed by this Agreement or any other Loan Document for any payment of principal, interest, fees, or other amounts due hereunder or under any other Loan Document,

(iii) reduce the principal of, or the rate of interest on, any loan or other extension of credit hereunder, or reduce any fees or other amounts payable hereunder or under any other Loan Document (except that any amendment or modification of defined terms used in the financial covenants in this Agreement shall not constitute a reduction in the rate of interest or a reduction of fees for purposes of this clause (iii)),

(iv) amend, modify, or eliminate this Section 14.1 or any provision of this Agreement providing for consent or other action by all Lenders,

(v) amend, modify, or eliminate Section 15.11,

(vi) release Agent's Lien in and to any of the Collateral, except as permitted by Section 15.11,

(vii) amend, modify, or eliminate the definition of "Required Lenders" or "Pro Rata Share,"

(viii) contractually subordinate any of Agent's Liens, except as permitted by Section 15.11,

(ix) release any Borrower or any Guarantor from any obligation for the payment of money or consent to the assignment or transfer by any Borrower or any Guarantor of any of its rights or duties under this Agreement or the other Loan Documents, except in connection with a merger, wind-up, liquidation, dissolution or sale of such Person expressly permitted by the terms hereof or the other Loan Documents,

(x) amend, modify, or eliminate any of the provisions of Section 2.2(b)(i) or (ii) or Section 2.2(f),

(xi) amend, modify, or eliminate any of the provisions of Section 13.1(a) to permit a Loan Party or an Affiliate of a Loan Party to be permitted to become an Assignee.

(b) No amendment, waiver, modification, elimination, or consent shall amend, modify, or waive (i) the definition of, or any of the terms or provisions of the Fee Letter, without the written consent of the Agent and Borrowers (and shall not require the written consent of any of the Lenders), and (ii) any provision of Section 15 pertaining to Agent, or any other rights or duties of Agent under this Agreement or the other Loan Documents, without the written consent of Agent, Borrowers and the Required Lenders. Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the consent of Loan Parties and Lenders shall not be required for the exercise by Agent of any of its rights under this Agreement in accordance with the terms of this Agreement.

(c) Anything in this Section 14.1 to the contrary notwithstanding, (i) any amendment, modification, elimination, waiver, consent, termination, or release of, or with respect to, any provision of this Agreement or any other Loan Document that relates only to the relationship of the Lender Group among themselves, and that does not affect the rights or obligations of any Loan Party, shall not require consent by or the agreement of any Loan Party, and (ii) any amendment, waiver, modification, elimination, or consent of or with respect to any provision of this Agreement or any other Loan Document may be entered into without the consent of, or over the objection of, any Defaulting Lender other than any of the matters governed by Section 14.1(a)(ii) or 14.1(a)(iii).

14.2 Replacement of Certain Lenders.

(a) If (i) any action to be taken by the Lender Group or Agent hereunder requires the consent, authorization, or agreement of all Lenders or all Lenders affected thereby and if such action has received the consent, authorization, or agreement of the Required Lenders but not of all Lenders or all Lenders affected thereby, or (ii) any Lender makes a claim for compensation under Section 16 and such Lender has declined to designate a different lending office, then Borrowers or Agent, upon at least five (5) Business Days' prior irrevocable notice, may permanently replace any Lender that failed to give its consent, authorization, or agreement (a "Holdout Lender") or any Lender that made a claim for compensation (a "Tax Lender") with one or more Replacement Lenders, and the Holdout Lender or Tax Lender, as applicable, shall have no right to refuse to be replaced hereunder. Such notice to replace the Holdout Lender or Tax Lender, as applicable, shall specify an effective date for such replacement, which date shall not be later than fifteen (15) Business Days after the date such notice is given.

(b) Prior to the effective date of such replacement, the Holdout Lender or Tax Lender, as applicable, and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Holdout Lender or Tax Lender, as applicable, being repaid in full its share of the outstanding Obligations (without any premium or penalty of any kind whatsoever, but including all interest, fees and other amounts that may be due and payable in respect thereof and its existing rights to payment pursuant to Section 16). If the Holdout Lender or Tax Lender, as applicable, shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, Agent may, but shall not be required to, execute and deliver such Assignment and Acceptance in the name or and on behalf of the Holdout Lender or Tax Lender, as applicable, and irrespective of whether Agent executes and delivers such Assignment and Acceptance, the Holdout Lender or Tax Lender, as applicable, shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Holdout Lender or Tax Lender, as applicable, shall be made in accordance with the terms of Section 13.1. Until such time as one or more Replacement Lenders shall have acquired all of the Obligations and the other rights and obligations of the Holdout Lender or Tax Lender, as applicable, hereunder and under the other Loan Documents, the Holdout Lender or Tax Lender, as applicable, shall remain obligated to make the Holdout Lender's or Tax Lender's, as applicable, Pro Rata Share of the Loan.

14.3 No Waivers; Cumulative Remedies. No failure by Agent or any Lender to exercise any right, remedy, or option under this Agreement or any other Loan Document, or delay by Agent or any Lender in exercising the same, will operate as a waiver thereof. No waiver by Agent or any Lender will be effective unless it is in writing, and then only to the extent specifically stated. No waiver by Agent or any Lender on any occasion shall affect or diminish Agent's and each Lender's rights thereafter to require strict performance by each Loan Party of any provision of this Agreement. Agent's and each Lender's rights under this Agreement and the other Loan Documents will be cumulative and not exclusive of any other right or remedy that Agent or any Lender may have.

15. AGENT; THE LENDER GROUP.

15.1 Appointment and Authorization of Agent. Each Lender hereby designates and appoints CFS as its agent under this Agreement, the Intercreditor Agreement and the other Loan Documents, and each Lender hereby irrevocably authorizes Agent to execute and deliver the Intercreditor Agreement and each of the other Loan Documents on its behalf and to take such other action on its behalf under the provisions of this Agreement, the Intercreditor Agreement and each other Loan Document and to exercise such powers and perform such duties as are expressly delegated to Agent by the terms of this Agreement, the Intercreditor Agreement or any other Loan Document, together with such powers as are reasonably incidental thereto. Agent agrees to act as agent for and on behalf of the Lenders on the conditions contained in this Section 15. Any provision to the contrary contained elsewhere in this Agreement or in any other Loan Document notwithstanding, Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, nor shall Agent have or be deemed to have any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against Agent. Without limiting the generality of the foregoing, the use of the term "agent" in this Agreement or the other Loan Documents with reference to Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only a representative relationship between independent contracting parties. Each Lender hereby further authorizes Agent to act as the secured party under each of the Loan Documents that create a Lien on any item of Collateral. Except as expressly otherwise provided in this Agreement, Agent shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions that Agent expressly is entitled to take

or assert under or pursuant to this Agreement and the other Loan Documents. Without limiting the generality of the foregoing, or of any other provision of the Loan Documents that provides rights or powers to Agent, Lenders agree that Agent shall have the right to exercise the following powers as long as this Agreement remains in effect: (a) maintain, in accordance with its customary business practices, ledgers and records reflecting the status of the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, and related matters, (b) execute or file any and all financing or similar statements or notices, amendments, renewals, supplements, documents, instruments, proofs of claim, notices and other written agreements with respect to the Loan Documents, (c) make the Loan, for itself or on behalf of Lenders, as provided in the Loan Documents, (d) exclusively receive, apply, and distribute the Collections of Parent and its Subsidiaries as provided in the Loan Documents, (e) open and maintain such bank accounts and cash management arrangements as Agent deems necessary and appropriate in accordance with the Loan Documents for the foregoing purposes with respect to the Collateral and the Collections of Parent and its Subsidiaries, (f) perform, exercise, and enforce any and all other rights and remedies of the Lender Group with respect to Parent or its Subsidiaries, the Obligations, the Collateral, the Collections of Parent and its Subsidiaries, or otherwise related to any of same as provided in the Loan Documents, and (g) incur and pay such Lender Group Expenses, at the expense of the Loan Parties, as Agent may deem necessary or appropriate for the performance and fulfillment of its functions and powers pursuant to the Loan Documents. The provisions of this Section 15 (other than as provided in Section 15.9 and Section 15.11(a)) are solely for the benefit of the Agent and the Lenders and no Loan Party shall have any rights as a third-party beneficiary of any of the provisions hereof (other than as provided in Section 15.9 and Section 15.11(a)). In performing its functions and duties hereunder, the Agent shall act solely as agent of Lenders and does not assume and shall not be deemed to have assumed any obligation toward or relationship of agency or trust with any Loan Party.

15.2 Delegation of Duties; Appointment of Subagents. Agent may execute any of its duties under this Agreement or any other Loan Document by or through agents, employees or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Agent shall not be responsible for the negligence or misconduct of any agent or attorney in fact that it selects as long as such selection was made without gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction). 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 Affiliates. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 15 shall apply to any such sub-agent and to any of the Affiliates of Agent and any such sub-agents, and shall apply to their respective activities as if such sub-agent and Affiliates were named herein in connection with the transactions contemplated hereby and by the Loan Documents. For the avoidance of doubt, the Agent's Affiliates, officers, directors, employees, attorneys and agents shall be third-party beneficiaries under this Agreement. The rights, benefits and privileges afforded to the Agent-Related Persons shall not be modified or amended without the express written consent of the Agent.

15.3 Liability of Agent. None of the Agent-Related Persons shall (a) be liable for any action taken or omitted to be taken by any of them under or in connection with this Agreement or any other Loan Document or the transactions contemplated hereby (except for its own gross negligence or willful misconduct as determined by a final, non-appealable judgment of a court of competent jurisdiction), or (b) be responsible in any manner to any of the Lenders for any recital, statement, representation or warranty made by Parent or any of its Subsidiaries or Affiliates, or any officer or director thereof, contained in this Agreement or in any other Loan Document, or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any other Loan Document, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document, the perfection or priority of any Lien, or for any failure of Parent or its Subsidiaries or any other party to any Loan Document to perform its obligations hereunder or thereunder. No Agent-Related Person shall be under any obligation to any

Lenders to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the books and records or properties of Parent or its Subsidiaries. Notwithstanding the terms and provisions of the Intercreditor Agreement or any reference to the Intercreditor Agreement or the Other Debt Documents herein, none of the Agent-Related Persons shall be liable for any action taken or omitted to be taken by any of them under the Intercreditor Agreement or under this Agreement relating to the Intercreditor Agreement or any of the Other Debt Documents unless directed in writing by the Required Lenders not to take or to omit to take any such action, which direction shall, in the case of a payment required to be made to the Senior Loan Agent, Term Loan Agent or Fourth Lien Trustee, as the case may be, specify the amount of such payment.

15.4 Reliance by Agent. Agent shall be entitled to rely, and shall be fully protected in relying, upon (i) any writing, resolution, notice, consent, certificate, affidavit, letter, telegram, facsimile or other electronic method of transmission, telex or telephone message, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and (ii) advice and statements of legal counsel (including counsel to Borrowers or counsel to any Lender), independent accountants and other experts selected by Agent. Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless Agent shall first receive such advice or concurrence of the Lenders as it deems appropriate and until such instructions are received, Agent shall act, or refrain from acting, as it deems advisable. If Agent so requests, it shall first be indemnified to its reasonable satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take or refraining from taking any such action. Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement or any other Loan Document in accordance with a request or consent of the Required Lenders and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders.

15.5 Notice of Default or Event of Default. Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, except with respect to defaults in the payment of principal, interest, fees, and expenses required to be paid to Agent for the account of the Lenders and, except with respect to Events of Default of which Agent has actual knowledge, unless Agent shall have received written notice from a Lender or any Borrower referring to this Agreement, describing such Default or Event of Default, and stating that such notice is a "notice of default." Agent promptly will notify the Lenders of its receipt of any such notice or of any Event of Default of which Agent has actual knowledge. If any Lender obtains actual knowledge of any Event of Default, such Lender promptly shall notify the other Lenders and Agent of such Event of Default. Each Lender shall be solely responsible for giving any notices to its Participants, if any. Subject to Section 15.4, Agent shall take such action with respect to such Default or Event of Default as may be requested by the Required Lenders in accordance with Section 9; provided, however, that unless and until Agent has received any such request, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

15.6 Credit Decision. Each Lender acknowledges that none of the Agent-Related Persons has made any representation or warranty to it, and that no act by Agent hereinafter taken, including any review of the affairs of Parent and its Subsidiaries or Affiliates, shall be deemed to constitute any representation or warranty by any Agent-Related Person to any Lender. Each Lender represents to Agent that it has, independently and without reliance upon any Agent-Related Person and based on such due diligence, documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, prospects, operations, property, financial and other condition and creditworthiness of each Borrower or any other Person party to a Loan Document, and all applicable bank regulatory laws relating to the transactions contemplated hereby, and made its own decision to enter into

this Agreement and to extend credit to Borrowers. Each Lender also represents that it will, independently and without reliance upon any Agent-Related Person and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigations as it deems necessary to inform itself as to the business, prospects, operations, property, financial and other condition and creditworthiness of any Borrower or any other Person party to a Loan Document. Except for notices, reports, and other documents expressly herein required to be furnished to the Lenders by Agent, Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, prospects, operations, property, financial and other condition or creditworthiness of any Borrower or any other Person party to a Loan Document that may come into the possession of any of the Agent-Related Persons. Each Lender acknowledges that Agent does not have any duty or responsibility, either initially or on a continuing basis (except to the extent, if any, that is expressly specified herein) to provide such Lender with any credit or other information with respect to any Borrower, its Affiliates or any of their respective business, legal, financial or other affairs, and irrespective of whether such information came into Agent's or its Affiliates' or representatives' possession before or after the date on which such Lender became a party to this Agreement.

15.7 Costs and Expenses; Indemnification. Agent may incur and pay Lender Group Expenses to the extent Agent reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to the Loan Documents, including court costs, attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, and appraisers, costs of collection by outside collection agencies, auctioneer fees and expenses, and costs of security guards or insurance premiums paid to maintain the Collateral, whether or not Borrowers are obligated to reimburse Agent or Lenders for such expenses pursuant to this Agreement or otherwise. Agent is authorized and directed to deduct and retain sufficient amounts from the Collections of Parent and its Subsidiaries received by Agent to reimburse Agent for such out-of-pocket costs and expenses prior to the distribution of any amounts to Lenders. In the event Agent is not reimbursed for such costs and expenses by Parent or its Subsidiaries, each Lender hereby agrees that it is and shall be obligated to pay to Agent such Lender's ratable share thereof. Whether or not the transactions contemplated hereby are consummated, each of the Lenders, on a ratable basis, shall indemnify and defend the Agent-Related Persons (to the extent not reimbursed by or on behalf of Borrowers and without limiting the obligation of Borrowers to do so) from and against any and all Indemnified Liabilities; provided that no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities resulting solely from such Person's gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) nor shall any Lender be liable for the obligations of any Defaulting Lender in failing to make any Loan or other extension of credit hereunder. Without limitation of the foregoing, each Lender shall reimburse Agent upon demand for such Lender's ratable share of any costs or out-of-pocket expenses (including attorneys, accountants, advisors, and consultants fees and expenses) incurred by Agent in connection with the preparation, execution, delivery, administration, modification, amendment, or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement or any other Loan Document to the extent that Agent is not reimbursed for such expenses by or on behalf of Borrowers. The undertaking in this Section 15.7 shall survive the payment of all Obligations hereunder, the termination of this Agreement and the resignation or replacement of Agent.

15.8 Agent in Individual Capacity. Agent and its Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in, and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Document as though Agent were not Agent hereunder, and, in each case, without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to

such activities, Agent or its Affiliates may receive information regarding Borrowers or their Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Borrowers or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver Agent will use its reasonable best efforts to obtain), Agent shall not be under any obligation to provide such information to them. The terms "Lender" and "Lenders" may include Agent in its individual capacity.

15.9 Successor Agent. Agent may resign as Agent upon thirty (30) days (ten (10) days if an Event of Default has occurred and is continuing) prior written notice to the Lenders (unless such notice is waived by the Required Lenders) and (so long as no Event of Default has occurred and is continuing) Administrative Borrower (unless such notice is waived by Administrative Borrower). If Agent resigns under this Agreement, the Required Lenders shall be entitled, with (so long as no Event of Default has occurred and is continuing) the consent of Administrative Borrower (such consent not to be unreasonably withheld, delayed, or conditioned), to appoint a successor Agent for the Lenders. If no successor Agent is appointed prior to the effective date of the resignation of Agent, Agent may appoint, after consulting with Administrative Borrower and with the consent of the Required Lenders, a successor Agent. If Agent has materially breached or failed to perform any material provision of this Agreement or of applicable law, the Required Lenders may agree in writing to remove and replace Agent with a successor Agent from among the Lenders with (so long as no Event of Default has occurred and is continuing) the consent of Borrowers (such consent not to be unreasonably withheld, delayed, or conditioned). In any such event, upon the acceptance of its appointment as successor Agent hereunder, such successor Agent shall succeed to all the rights, powers, and duties of the retiring Agent and the term "Agent" shall mean such successor Agent and the retiring Agent's appointment, powers, and duties as Agent shall be terminated. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement. Any resignation, removal or replacement of Agent pursuant to this Section 15.9 shall only take effect upon the appointment of a successor Agent; provided that, if no successor Agent has accepted appointment as Agent by the date which is thirty (30) days following a retiring Agent's notice of resignation, the retiring Agent's resignation shall nevertheless thereupon become effective (unless a later effective time is agreed to by the retiring Agent); provided, further, that, in the case of collateral security or other Liens (if any) held by the retiring Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security or other Liens until such time as a successor Agent is appointed. After the effectiveness of any such resignation and until such time, if any, as the Required Lenders appoint a successor Agent as provided above, (i) all payments and communications to be made by, to or through such resigning Agent shall instead be made by or to each applicable Lender directly and (ii) the Required Lenders shall perform all the duties of the resigning Agent, as applicable, hereunder and/or under any other Loan Document.

15.10 Lender in Individual Capacity. Any Lender and its respective Affiliates may make loans to, issue letters of credit for the account of, accept deposits from, provide bank products to, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with Parent and its Subsidiaries and Affiliates and any other Person party to any Loan Documents as though such Lender were not a Lender hereunder without notice to or consent of the other members of the Lender Group. The other members of the Lender Group acknowledge that, pursuant to such activities, such Lender and its respective Affiliates may receive information regarding Parent or its Affiliates or any other Person party to any Loan Documents that is subject to confidentiality obligations in favor of Parent or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances (and in the absence of a waiver of such confidentiality obligations, which waiver such Lender will use its reasonable best efforts to obtain), such Lender shall not be under any obligation to provide such information to them.

15.11 Collateral Matters; Credit Bidding.

(a) Subject to Section 15.11(b), the Lenders hereby irrevocably authorize Agent, upon the written direction of the Required Lenders, to release, or subordinate, any Lien on any of the Collateral (i) upon payment and satisfaction of all of the Obligations, or (ii) constituting property being sold or disposed of if Administrative Borrower or any Loan Party certifies to Agent and the Required Lenders that the sale or disposition is made in compliance with Section 6.4 (and Agent and the Required Lenders may rely conclusively on any such certificate, without further inquiry), or (iii) constituting property in which any Loan Party did not own an interest at the time the security interest, mortgage or lien was granted or at any time thereafter, or (iv) having a value in the aggregate in any twelve (12) month period of less than $2,500,000, and to the extent Agent (at the direction of the Required Lenders) may release its Lien on any such Collateral pursuant to the sale or other disposition thereof, such sale or other disposition shall be deemed consented to by the Lenders, or (v) if required or permitted under the terms of any of the other Loan Documents, including the Intercreditor Agreement, or (vi) constituting property leased to a Loan Party under a lease that has expired or is terminated, or (vii) subject to Section 14.1, the Canadian Security Documents and the other Security Documents, if the release is approved, authorized or ratified in writing by the Required Lenders. Upon request by Agent or any Borrower at any time, the Lenders will confirm in writing Agent's authority to release or subordinate any such Liens on particular types or items of Collateral pursuant to this Section 15.11; provided, that, (1) Agent shall not be required to execute any document necessary to evidence such release or subordination on terms that, in Agent's opinion, would expose Agent to liability or create any obligation or entail any consequence other than the release of such Lien without recourse, representation, or warranty, and (2) such release or subordination shall not in any manner discharge, affect, or impair the Obligations or any Liens (other than those expressly being released or subordinated) upon (or obligations of any Borrower in respect of) all interests retained by any Loan Party, including, the proceeds of any sale, all of which shall continue to constitute part of the Collateral. The Lenders further hereby irrevocably authorize Agent, upon the direction of the Required Lenders, to subordinate any Lien granted to or held by Agent under any Loan Document to the holder of any Permitted Lien on such property if such Permitted Lien secures Permitted Purchase Money Indebtedness.

(b) The Loan Parties and the Lenders hereby irrevocably authorize Agent, based upon the written instruction of the Required Lenders, to (A) consent to, credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale thereof conducted under the provisions of the Bankruptcy Code or other bankruptcy laws, including under Section 363 of the Bankruptcy Code, (B) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any sale or other disposition thereof conducted under the provisions of the Code or the PPSA, including pursuant to Sections 9-610 or 9-620 of the Code, or (C) credit bid or purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral at any other sale or foreclosure conducted by Agent (whether by judicial action or otherwise) in accordance with applicable law. In connection with any such credit bid or purchase, (i) the Obligations owed to the Lenders shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims being estimated for such purpose if the fixing or liquidation thereof would not unduly delay the ability of Agent to credit bid or purchase at such sale or other disposition of the Collateral and, if such claims cannot be estimated without unduly delaying the ability of Agent to credit bid, then such claims shall be disregarded, not credit bid, and not entitled to any interest in the asset or assets purchased by means of such credit bid) and the Lenders whose Obligations are credit bid shall be entitled to receive interests (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) in the asset or assets so purchased (or in the Equity Interests of the acquisition vehicle or vehicles that are used to consummate such purchase), and (ii) the Agent, based upon the

instruction of the Required Lenders, may accept non-cash consideration, including debt and equity securities issued by such acquisition vehicle or vehicles and in connection therewith the Agent may reduce the Obligations owed to the Lenders (ratably based upon the proportion of their Obligations credit bid in relation to the aggregate amount of Obligations so credit bid) based upon the value of such non-cash consideration.

(c) Agent shall have no obligation whatsoever to any of the Lenders to assure that the Collateral exists or is owned by a Loan Party or is cared for, protected, or insured or has been encumbered, or that Agent's Liens have been properly or sufficiently or lawfully created, perfected, protected, or enforced or are entitled to any particular priority, or to exercise at all or in any particular manner or under any duty of care, disclosure or fidelity, or to continue exercising, any of the rights, authorities and powers granted or available to Agent pursuant to any of the Loan Documents, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, subject to the terms and conditions contained herein, Agent may act in any manner it may deem appropriate, in its sole discretion, regardless of whether Agent shall obtain its own interest in the Collateral in its capacity as one of the Lenders, and that Agent shall have no other duty or liability whatsoever to any Lender as to any of the foregoing, except as otherwise provided herein.

(d) In no event shall the Agent be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Agent has been advised of the likelihood of such loss or damage and regardless of the form of action. Notwithstanding any provision of this Agreement, the Agent shall not have any duties or responsibilities except those expressly set forth herein and the permissive provisions with respect to the Agent set forth herein shall not be deemed to be duties. Notwithstanding anything to the contrary contained herein, the Agent shall have no responsibility for the preparing, recording, filing, re-recording, or re-filing of any financing statement, continuation statement or other instrument in any public office. In no event shall the Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

15.12 Restrictions on Actions by Lenders; Sharing of Payments.

(a) Each of the Lenders agrees that it shall not, without the express written consent of the Required Lenders, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of the Required Lenders, set off against the Obligations, any amounts owing by such Lender to Parent or its Subsidiaries or any deposit accounts of Parent or its Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by the Required Lenders, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Loan Document against any Borrower or any Guarantor or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b) If, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agent pursuant to the terms of this Agreement, or (ii) payments from Agent in excess of such Lender's Pro Rata Share of all such

distributions by Agent, such Lender promptly shall (A) turn the same over to Agent, in kind, and with such endorsements as may be required to negotiate the same to Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their Pro Rata Shares; provided, however, that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

15.13 Agency for Perfection. Agent hereby appoints each other Lender as its agent (and each Lender hereby accepts such appointment) for the purpose of perfecting Agent's Liens in assets which, in accordance with Article 8 or Article 9, as applicable, of the Code or in accordance with the PPSA or the Securities Transfer Act of any applicable jurisdictions in Canada can be perfected by possession or control. Should any Lender obtain possession or control of any such Collateral, such Lender shall notify Agent and the Required Lenders thereof, and, promptly upon Agent's request (upon the direction of the Required Lenders) therefor shall deliver possession or control of such Collateral to Agent or in accordance with Agent's instructions.

15.14 Payments by Agent to the Lenders. All payments to be made by Agent to the Lenders shall be made by bank wire transfer of immediately available funds pursuant to such wire transfer instructions as each party may designate for itself by written notice to Agent. Concurrently with, or promptly following each such payment, Agent shall identify whether such payment (or any portion thereof) represents principal, premium, fees, or interest of the Obligations.

15.15 Concerning the Collateral and Related Loan Documents. Each member of the Lender Group authorizes and directs Agent to enter into this Agreement, the Intercreditor Agreement and the other Loan Documents. Each member of the Lender Group agrees that any action taken by Agent in accordance with the terms of this Agreement or the other Loan Documents relating to the Collateral and the exercise by Agent of its powers set forth therein or herein, together with such other powers that are reasonably incidental thereto, shall be binding upon all of the Lenders.

15.16 Collateral Reports; Confidentiality; Disclaimers by Lenders; Other Reports and Information.

(a) By becoming a party to this Agreement, each Lender:

(i) is deemed to have requested that Agent furnish such Lender, promptly after it becomes available, a copy of each collateral report or field examination report respecting Parent or its Subsidiaries (each, a "Report") prepared by or at the request of Required Lenders, and Agent shall so furnish each Lender with such Reports,

(ii) expressly agrees and acknowledges that Agent does not (i) make any representation or warranty as to the accuracy of any Report, and (ii) shall not be liable for any information contained in any Report,

(iii) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that Agent or other party performing any audit or examination will inspect only specific information regarding Parent and its Subsidiaries and will rely significantly upon

Parent's and its Subsidiaries' books and records, as well as on representations of each Borrower's personnel,

(iv) agrees to keep all Reports and other material, non-public information regarding Parent and its Subsidiaries and their operations, assets, and existing and contemplated business plans in a confidential manner in accordance with Section 17.9, and

(v) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold Agent and any other Lender preparing a Report harmless from any action the indemnifying Lender may take or fail to take or any conclusion the indemnifying Lender may reach or draw from any Report in connection with any loans or other credit accommodations that the indemnifying Lender has made or may make to Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a loan or loans of Borrowers, and (ii) to pay and protect, and indemnify, defend and hold Agent, and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including, attorneys' fees and costs) incurred by Agent and any such other 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.

(b) In addition to the foregoing: (i) any Lender may from time to time request of Agent in writing that Agent provide to such Lender a copy of any report or document provided by Parent or any Subsidiary of Parent to Agent that has not been contemporaneously provided by Parent or its Subsidiaries to such Lender, and, upon receipt of such request, Agent promptly shall provide a copy of same to such Lender, (ii) to the extent that Agent is entitled, under any provision of the Loan Documents, to request additional reports or information from Parent or its Subsidiaries, any Lender may, from time to time, reasonably request Agent to exercise such right as specified in such Lender's notice to Agent, whereupon Agent promptly shall request of such Borrower the additional reports or information reasonably specified by such Lender, and, upon receipt thereof from Parent or its Subsidiaries, Agent promptly shall provide a copy of same to such Lender and (iii) any time that Agent renders to any Borrower a statement regarding the Loan Account, Agent shall send a copy of such statement to each Lender.

15.17 Agent May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to any Loan Party, Agent (irrespective of whether the principal of any Obligations shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether Agent shall have made any demand on Borrowers) shall be entitled and empowered, upon the direction of the Required Lenders, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Obligations 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 Lenders and Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of Lenders and Agent and their respective agents and counsel) and all other amounts due Lenders and Agent allowed in such judicial proceeding; and

(ii) 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 Agent and, in the event that Agent and the Required Lenders shall consent to the making of such payments directly to Lenders, to pay to Agent any amount due for the reasonable compensation, expenses, disbursements and advances of Agent and its agents and counsel, and any other amounts due Agent.

(b) Nothing contained herein shall be deemed to authorize 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 Agent to vote in respect of the claim of any Lender in any such proceeding.

15.18 Several Obligations; No Liability. Notwithstanding that certain of the Loan Documents now or hereafter may have been or will be executed only by or in favor of Agent in its capacity as such, and not by or in favor of the Lenders, any and all obligations on the part of Agent (if any) to make any credit available hereunder, shall constitute the several (and not joint) obligations of the respective Lenders on a ratable basis in accordance with such Lender's percentage of the Loan outstanding. Nothing contained herein shall confer upon any Lender any interest in, or subject any Lender to any liability for, or in respect of, the business, assets, profits, losses, or liabilities of any other Lender. Each Lender shall be solely responsible for notifying its Participants of any matters relating to the Loan Documents to the extent any such notice may be required, and no Lender shall have any obligation, duty, or liability to any Participant of any other Lender. Except as provided in Section 15.7, no member of the Lender Group shall have any liability for the acts of any other member of the Lender Group. No Lender shall be responsible to any Borrower or any other Person for any failure by any other Lender to fulfill its obligations to make credit available hereunder, nor to advance for such Lender or on its behalf, nor to take any other action on behalf of such Lender hereunder or in connection with the financing contemplated herein.

15.19 Appointment for the Province of Québec. Without prejudice to Section 15.1 above, each member of the Lender Group hereby appoints Agent as the *hypothecary representative* (within the meaning of Article 2692 of the Civil Code of Québec) of the Lender Group, to enter into, to take and to hold on their behalf, and for their benefit, any deed of hypothec ("Deed of Hypothec") to be executed by any one or more of the Borrowers or Guarantors granting one or more hypothecs pursuant to the laws of the Province of Québec (Canada) as security for the payment and performance of, *inter alia*, the Obligations and to exercise such powers and duties which are conferred thereupon under such deed. In this respect, each of the members of the Lender Group will be entitled to the benefits of any property or assets charged under the Deed of Hypothec and will participate in the proceeds of realization of any such property or assets. Agent, in such aforesaid capacity as hypothecary representative shall (A) upon the direction of the Required Lenders have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to Agent as hypothecary representative with respect to the property or assets charged under the Deed of Hypothec, any applicable law or otherwise, and (B) benefit from and be subject to all provisions hereof with respect to the Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lender Group, the Borrowers or the Guarantors. The execution prior to the date hereof by Agent of any Deed of Hypothec or other security documents made pursuant to the laws of the Province of Québec (Canada) is hereby ratified and confirmed. In the event of the resignation and appointment of a successor Agent, such successor Agent shall also be appointed to act as hypothecary representative without further formality, except the filing of a notice of replacement of hypothecary representative pursuant to Article 2692 of the Civil Code of Québec.

15.20 Dutch Parallel Debt.

(a) In this Section 15.20:

"Dutch Parallel Debt" means any amount which a Loan Party owes to the Agent under this Section 15.20.

"Underlying Debt" means at any given time, each Obligation (whether present or future, actual or contingent) owing by a Loan Party to a Finance Party under the Loan Documents (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Loan Document, in each case whether or not anticipated as of the date of this Agreement, for the avoidance of doubt, excluding that Loan Party's Dutch Parallel Debt.

(b) Each Loan Party irrevocably and unconditionally undertakes to pay to the Agent amounts equal to, and in the currency or currencies of, its Underlying Debt.

(c) The Dutch Parallel Debt of each Loan Party: (i) shall become due and payable at the same time as its Underlying Debt and (ii) is independent and separate from, and without prejudice to, its Underlying Debt.

(d) For purposes of this Section 15.20, the Agent: (i) is the independent and separate creditor of each Dutch Parallel Debt, (ii) acts in its own name and not as agent, representative or trustee of the Finance Parties and its claims in respect of each Dutch Parallel Debt shall not be held on trust, and (iii) shall have the independent and separate right to demand payment of each Dutch Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(e) The Dutch Parallel Debt of a Loan Party shall be (i) decreased to the extent that its Underlying Debt has been irrevocably and unconditionally paid or discharged, and (ii) increased to the extent to that its Underlying Debt has increased, and the Underlying Debt of a Loan Party shall be (x) decreased to the extent that its Dutch Parallel Debt has been irrevocably and unconditionally paid or discharged, and (y) increased to the extent that its Dutch Parallel Debt has increased, in each case provided that the Dutch Parallel Debt of a Loan Party shall never exceed its Underlying Debt.

(f) All amounts received or recovered by the Agent in connection with this Section 15.20, to the extent permitted by applicable law, shall be applied in accordance with Section 5 (Application of Proceeds) of the Intercreditor Agreement.

This Section 15.20 applies for the purpose of determining the secured obligations in the Security Documents governed by Dutch law.

16. WITHHOLDING TAXES.

16.1 No Setoff; Payments.

(a) All payments made by any Loan Party under any Loan Document will be made without setoff, counterclaim or other defense. In addition, all such payments will be made free and clear of, and without deduction or withholding for, any present or future Taxes unless deduction or withholding of any Taxes is required under applicable law. If any deduction or withholding of any Tax is required by law, the applicable withholding agent shall make such deduction or withholding and shall timely pay to the relevant Governmental Authority such amounts in accordance with applicable law. To the extent such Tax is an Indemnified Tax, the applicable Loan Party shall pay such additional amounts as may be necessary so that, after such required deduction or withholding of Indemnified Tax (including any Indemnified Tax on the additional amounts payable under this Section 16.1), the amount payable to the

affected Agent or Lender (as applicable) by any Loan Party is equal to the same amount that would have been so payable had no such deduction or withholding of Indemnified Tax been required under applicable law.

(b) Administrative Borrower will furnish to Agent as promptly as possible after the date of payment by Loan Parties of any Tax pursuant to this Section 16.1, certified copies of tax receipts evidencing such payment by Loan Parties or other evidence reasonably satisfactory to Agent.

(c) Loan Parties agree to pay any present or future stamp, court or documentary, intangible, recording, filing or similar Taxes or any other excise or property Taxes, charges, or similar levies that arise from any payment made hereunder or from the execution, delivery, performance, recordation, or filing of, or otherwise with respect to this Agreement or any other Loan Document (collectively, "Other Taxes").

(d) The Loan Parties shall jointly and severally indemnify each recipient of amounts payable under this Section 16.1, within ten (10) Business Days after demand therefor, for the full amount of any Indemnified Taxes and Other Taxes (including Indemnified Taxes and Other Taxes imposed or asserted on or attributable to amounts payable under this Section 16) payable or paid by such recipient or required to be withheld or deducted from a payment to such recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes 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, which also describes in reasonable detail the basis for such payment or liability, delivered to Administrative Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

16.2 Exemptions.

(a) If a Lender or Participant is entitled to claim an exemption or reduction from United States withholding tax, such Lender or Participant agrees with and in favor of Agent, to deliver to Administrative Borrower and Agent (or, in the case of a Participant, to the Lender granting the participation only) whichever of the following is applicable before receiving its first payment under the Loan Documents:

(i) if such Lender or Participant is entitled to claim an exemption from United States withholding tax pursuant to the portfolio interest exception, (A) a statement of the Lender or Participant, substantially in the form of Exhibit D-1, signed under penalty of perjury, that it is not a (I) a "bank" as described in Section 881(c)(3)(A) of the IRC, (II) a 10% shareholder of any Borrower (within the meaning of Section 871(h)(3)(B) of the IRC), or (III) a controlled foreign corporation described in Section 881(c)(3)(C) of the IRC (a "U.S. Tax Compliance Certificate"), and (B) a properly completed and executed IRS Form W-8BEN, or Form W-8BEN-E;

(ii) if such Lender or Participant is entitled to claim an exemption from, or a reduction of, withholding tax under a United States tax treaty, a properly completed and executed copy of IRS Form W-8BEN or Form W-8BEN-E;

(iii) if such Lender or Participant is entitled to claim that interest paid under this Agreement is exempt from United States withholding tax because it is effectively connected with a United States trade or business of such Lender, a properly completed and executed copy of IRS Form W-8ECI;

(iv) [reserved];

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

(vi) a properly completed and executed copy of any other form or forms, including IRS Form W-9, as may be required under the IRC or other laws of the United States as a condition to exemption from, or reduction of, United States withholding or backup withholding tax; or

(vii) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the IRC, as applicable), such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the IRC) and such additional documentation reasonably requested by the Administrative Borrower or Agent as may be necessary for Administrative Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under Section 1471 through 1474 of the IRC or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (vii), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(b) Each Lender or Participant shall provide new forms (or successor forms) upon the expiration, invalidity or obsolescence of any previously delivered forms and shall promptly notify Administrative Borrower and Agent (or, in the case of a Participant, the Lender granting the participation only) in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(c) If a Lender or Participant claims an exemption from, or reduction of, withholding or backup withholding tax in a jurisdiction other than the United States, such Lender or such Participant agrees with and in favor of Agent and the Administrative Borrower to deliver to Administrative Borrower and Agent in writing (or, in the case of a Participant, to the Lender granting the participation only), before receiving its first payment under the Loan Documents (and/or thereafter from time to time if reasonably requested by the Agent or Administrative Borrower), any such form or other information as may be required under the laws of such jurisdiction (including any administrative policy or practice of such jurisdiction) as a condition to exemption from, or reduction of, withholding or backup withholding tax, but only if such Lender or such Participant is legally able to deliver such forms and if in such Lender's or Participant's judgment the completion, execution or submission of such forms would not subject such Lender or Participant to any material unreimbursed cost or expense and would not materially prejudice the legal or commercial position of such Lender. Each Lender and each Participant shall provide new forms (or successor forms) or information upon the expiration, invalidity or obsolescence of any previously delivered forms or information and promptly notify Administrative Borrower and Agent (or, in the case of a Participant, the Lender granting the participation only) in writing of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(d) If a Lender or Participant claims exemption from, or reduction of, withholding tax and such Lender or Participant sells, assigns, grants a participation in, or otherwise transfers all or part of the Obligations of Borrowers, such Lender or Participant agrees to notify Administrative Borrower and Agent (or, in the case of a sale of a participation interest, the Lender granting the participation only) of the percentage amount in which it is no longer the beneficial owner of Obligations of Borrowers. To the extent of such percentage amount, Agent will treat such Lender's or such Participant's documentation or information provided pursuant to Section 16.2(a), 16.2(b) or 16.2(c) as no longer valid. With respect to such percentage amount, such Participant or Assignee shall provide new documentation or information, pursuant to Section 16.2(a), 16.2(b) or 16.2(c), if applicable. Each Loan Party agrees that each Participant shall be entitled to the benefits of this Section 16 (subject to the limitations set forth in Section 13.1(e) and Section 14.2 as if the Participant were a Lender) with respect to its participation in any portion of the Obligations so long as such Participant complies with the obligations set forth in this Section 16 with respect thereto.

16.3 Reductions.

(a) If a Lender or a Participant is entitled to a reduction in the applicable withholding tax, Agent (or, in the case of a Participant, the Lender granting the participation) may deduct or withhold from any interest payment to such Lender or such Participant an amount equivalent to the applicable withholding tax after taking into account such reduction. If the forms or other documentation or information required by Sections 16.2(a), 16.2(b) or 16.2(c) are not delivered by a Lender or Participant to the applicable Loan Party or Agent (or, in the case of a Participant, to the Lender granting the participation), then the applicable Loan Party or Agent (or, in the case of a Participant, the Lender granting the participation), as applicable, shall deduct or withhold amounts required to be withheld by applicable laws from any payment to such Lender or such Participant not providing such forms or other documentation or information at the applicable statutory rate.

(b) If the IRS or any other Governmental Authority of the United States or other jurisdiction asserts a claim that Agent (or, in the case of a Participant, the Lender granting the participation) did not properly deduct or withhold tax from amounts paid to or for the account of any Lender or any Participant due to a failure on the part of the Lender or any Participant (because the appropriate form or information was not delivered, was not properly executed, or because such Lender failed to notify Agent (or such Participant failed to notify the Lender granting the participation) of a change in circumstances which rendered the exemption from, or reduction of, withholding tax ineffective, or for any other reason) such Lender shall indemnify and hold Agent harmless (or, in the case of a Participant, such Participant shall indemnify and hold the Lender granting the participation harmless) for all amounts paid, directly or indirectly, by Agent (or, in the case of a Participant, the Lender granting the participation), as tax or otherwise, including penalties and interest, and including any taxes imposed by any jurisdiction on the amounts payable to Agent (or, in the case of a Participant, to the Lender granting the participation only) under this Section 16, together with all costs and expenses (including attorneys' fees and expenses). The obligation of the Lenders and the Participants under this subsection shall survive the payment of all Obligations and the resignation or replacement of Agent.

16.4 Lender Indemnification. Each Lender shall severally indemnify the Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so in accordance with Section 16.1), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 13.1(i) relating to the maintenance of a Participant Register and (iii) any non-Indemnified Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly

or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this Section 16.4.

16.5 Refunds. If Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes as to which it has been indemnified by any Loan Party or with respect to which any Loan Party has paid additional amounts pursuant to this Section 16, so long as no Default or Event of Default has occurred and is continuing, it shall pay over such refund to Borrowers (but only to the extent of payments made, or additional amounts paid, by any Loan Party under this Section 16 with respect to Taxes giving rise to such a refund), net of all out-of-pocket expenses of Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such a refund); provided, that the Loan Parties, upon the request of Agent or such Lender, agree to repay the amount paid over to the Loan Parties (plus any penalties, interest or other charges, imposed by the relevant Governmental Authority in respect thereof) to Agent or such Lender in the event Agent or such Lender is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 16.5, in no event will Agent or a Lender, as the case may be, be required to pay any amount to the Loan Parties pursuant to this Section 16.5 the payment of which would place Agent or such Lender in a less favorable net after-tax position than the Agent or such Lender would have been in if the tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such tax had never been paid. Notwithstanding anything in this Agreement to the contrary, this Section 16.5 shall not be construed to require Agent or any Lender to make available its tax returns (or any other confidential information which it in good faith deems confidential) to any Borrower or any other Person.

16.6 Purchase Price Allocation and Original Issue Discount. [TO COME].

16.7 Tax Treatment of Loans. [TO COME].

16.8 Survival. Each party's obligations under this Section 16 shall survive the resignation or replacement of the Agent or any assignment of rights by, or replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all Obligations.

17. GENERAL PROVISIONS.

17.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by each Loan Party, Agent, and each Lender whose signature is provided for on the signature pages hereof upon satisfaction of all the conditions precedent pursuant to Section 3.1.

17.2 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each Section applies equally to this entire Agreement.

17.3 Interpretation. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed against the Lender Group or any Loan Party, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

17.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

17.5 Right of Setoff. If an Event of Default shall have occurred and be continuing, any Lender and any Affiliate of any Lender is hereby authorized at any time and from time to time, 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) at any time held and other obligations at any time owing by such Lender or Affiliate of a Lender to or for the credit or the account of any Loan Party against any of and all the Obligations held by such Lender or Affiliate of a Lender, irrespective of whether or not such Lender or Affiliate of a Lender shall have made any demand under the Loan Documents and although such obligations may be unmatured. The applicable Lender or Affiliate of a Lender shall notify the Borrower and the Agent of such set-off or application; provided that any failure to give or any delay in giving such notice shall not affect the validity of any such set-off or application under this Section 17.5. If any Lender shall, by exercising any right of set-off, obtain payment in respect of any principal of or interest on any of its respective portion of the Loan resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its respective portion of the Loan and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loan of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective portion of the Loan; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this Section 17.5 shall not be construed to apply to any payment made by the Borrowers pursuant to and in accordance with the express terms of this Agreement. The Loan Parties consent to the foregoing and agree, to the extent they may effectively do so under applicable law. The rights of each Lender or Affiliate of a Lender under this Section 17.5 are in addition to other rights and remedies (including other rights of setoff) which such Lender or Affiliate of a Lender may have.

17.6 Debtor-Creditor Relationship. The relationship between the Lenders and Agent, on the one hand, and the Loan Parties, on the other hand, is solely that of creditor and debtor. No member of the Lender Group has (or shall be deemed to have) any fiduciary relationship or duty to any Loan Party arising out of or in connection with the Loan Documents or the transactions contemplated thereby, and there is no agency or joint venture relationship between the members of the Lender Group, on the one hand, and the Loan Parties, on the other hand, by virtue of any Loan Document or any transaction contemplated therein.

17.7 Counterparts; Electronic Execution. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement. Any party delivering an executed counterpart of this Agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart of this Agreement but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement. The foregoing shall apply to each other Loan Document *mutatis mutandis*.

17.8 Revival and Reinstatement of Obligations. If the incurrence or payment of the Obligations by any Borrower or any Guarantor or the transfer to the Lender Group of any property should

for any reason subsequently be asserted, or declared, to be void or voidable under any state, provincial, territorial or federal law relating to creditors' rights, including provisions of the Bankruptcy Code (or under any bankruptcy or insolvency laws of Canada, including the BIA, the CCAA and the Winding-Up Act) relating to fraudulent conveyances, preferences, or other voidable or recoverable payments of money or transfers of property (each, a "Voidable Transfer"), and if the Lender Group is required to repay or restore, in whole or in part, any such Voidable Transfer, or elects to do so upon the advice of counsel, then, as to any such Voidable Transfer, or the amount thereof that the Lender Group is required or elects to repay or restore, and as to all reasonable costs, expenses, and attorneys' fees of the Lender Group related thereto, the liability of Borrowers or Guarantors automatically shall be revived, reinstated, and restored and shall exist as though such Voidable Transfer had never been made.

17.9 Confidentiality.

(a) Agent and Lenders each individually (and not jointly or jointly and severally) agree that non-public information regarding Parent and its Subsidiaries, their operations, assets, and existing and contemplated business plans ("Confidential Information") shall be treated by Agent and the Lenders in a confidential manner, and shall not be disclosed by Agent and the Lenders to Persons who are not parties to this Agreement, except: (i) to attorneys for and other advisors, accountants, auditors, and consultants to any member of the Lender Group and to employees, directors and officers of any member of the Lender Group (the Persons in this clause (i), "Lender Group Representatives") on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis, (ii) to Subsidiaries and Affiliates of any member of the Lender Group; provided that any such Subsidiary or Affiliate shall have agreed to receive such information hereunder subject to the terms of this Section 17.9, (iii) as may be required by regulatory authorities so long as such authorities are informed of the confidential nature of such information, (iv) as may be required by statute, decision, or judicial or administrative order, rule, or regulation; provided that (x) prior to any disclosure under clause (iii) or (iv), the disclosing party agrees to provide Administrative Borrower with prior notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior notice to Administrative Borrower pursuant to the terms of the applicable statute, decision, or judicial or administrative order, rule, or regulation and (y) any disclosure under clause (iii) or (iv) shall be limited to the portion of the Confidential Information as may be required by such regulatory authority, statute, decision, or judicial or administrative order, rule, or regulation, (v) as may be agreed to in advance in writing by Borrowers, (vi) as requested or required by any Governmental Authority pursuant to any subpoena or other legal process; provided that (x) prior to any disclosure under this clause (vi) the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, to the extent that it is practicable to do so and to the extent that the disclosing party is permitted to provide such prior written notice to Administrative Borrower pursuant to the terms of the subpoena or other legal process and (y) any disclosure under this clause (vi) shall be limited to the portion of the Confidential Information as may be required by such Governmental Authority pursuant to such subpoena or other legal process, (vii) as to any such information that is or becomes generally available to the public (other than as a result of prohibited disclosure by Agent or the Lenders or the Lender Group Representatives), (viii) in connection with any assignment, participation or pledge of any Lender's interest under this Agreement; provided that prior to receipt of Confidential Information any such assignee, participant, or pledgee shall have agreed in writing to receive such Confidential Information hereunder subject to the terms of this Section 17.9, (ix) to any counterparty in connection with any swap or derivative transaction; provided that prior to the receipt of Confidential Information such counterparty shall have agreed in writing to receive such Confidential Information hereunder subject to the terms of this Section 17.9, (x) in connection with any litigation or other adversary proceeding involving parties hereto which such litigation or adversary proceeding involves claims related to the rights or duties of such parties under this Agreement or the other Loan Documents; provided, that, prior to any disclosure to any Person (other than any Loan Party, Agent, any Lender, any

of their respective Affiliates, or their respective counsel) under this clause (x) with respect to litigation involving any Person (other than any Borrower, Agent, any Lender, any of their respective Affiliates, or their respective counsel), the disclosing party agrees to provide Administrative Borrower with prior written notice thereof, and (xi) in connection with, and to the extent reasonably necessary for, the exercise of any secured creditor remedy under this Agreement or under any other Loan Document.

(b) Anything in this Agreement to the contrary notwithstanding, Agent (upon the direction of the Required Lenders) may disclose information concerning the terms and conditions of this Agreement and the other Loan Documents to loan syndication and pricing reporting services or for its marketing materials, with such information to consist of deal terms and other information customarily found in such publications or marketing materials and may otherwise use the name, logos, and other insignia of Borrowers and the other Loan Parties and the Commitments provided hereunder in any "tombstone," press releases, or other advertisements, on its website or in other marketing materials of Agent.

17.10 Lender Group Expenses. Borrowers agree to pay any and all Lender Group Expenses promptly upon demand therefor by Agent or the Lenders. Borrowers agree that their respective obligations contained in this Section 17.10 shall survive payment or satisfaction in full of all other Obligations and the termination of this Agreement.

17.11 Survival. All representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that Agent or any Lender may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any loan or any fee or any other amount payable under this Agreement is outstanding. All indemnity obligations of the Loan Parties in the Loan Documents shall survive the repayment in full of the Obligations and the termination of the Loan Documents.

17.12 Patriot Act. Each Lender that is subject to the requirements of the Patriot Act hereby notifies Borrowers that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies each Borrower, which information includes the name and address of each Borrower and other information that will allow such Lender to identify each Borrower in accordance with the Patriot Act. In addition, if Agent is required by law or regulation or internal policies to do so, it shall have the right to periodically conduct (a) Patriot Act searches, OFAC/PEP searches, and customary individual background checks for the Loan Parties and (b) OFAC/PEP searches and customary individual background checks for the Loan Parties' senior management and key principals, and each Borrower agrees to cooperate in respect of the conduct of such searches and further agrees that the reasonable costs and charges for such searches shall constitute Lender Group Expenses hereunder and be for the account of such Borrower.

17.13 Integration. This Agreement, together with the other Loan Documents, reflects the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

17.14 Administrative Borrower as Agent for Borrowers.

(a) Each Borrower hereby irrevocably appoints and constitutes Colt US ("Administrative Borrower") as its agent and attorney-in-fact to request and receive Loans pursuant to this Agreement and the other Loan Documents from Agent or any Lender in the name or on behalf of such Borrower. Agent and Lenders may disburse the Loans to such bank account of Administrative Borrower or a Borrower or otherwise make such Loans to a Borrower as Administrative Borrower may designate or direct, without notice to any other Borrower or Guarantor. Notwithstanding anything to the contrary contained herein, Agent (upon the direction of the Required Lenders) may at any time and from time to time require that Loans to or for the account of any Borrower be disbursed directly to an operating account of such Borrower.

(b) Administrative Borrower hereby accepts the appointment by Borrowers to act as the agent and attorney-in-fact of Borrowers pursuant to this Section 17.14. Administrative Borrower shall ensure that the disbursement of any portion of the Loans to each Borrower requested by or paid to or for the account of Colt US shall be paid to or for the account of such Borrower.

(c) Each Borrower and Guarantor hereby irrevocably appoints and constitutes Administrative Borrower as its agent to receive statements on account and all other notices from Agent and Lenders with respect to the Obligations or otherwise under or in connection with this Agreement and the other Loan Documents.

(d) Any notice, election, representation, warranty, agreement or undertaking by or on behalf of any other Borrower or any Guarantor by Administrative Borrower shall be deemed for all purposes to have been made by such Borrower or Guarantor, as the case may be, and shall be binding upon and enforceable against such Borrower or Guarantor to the same extent as if made directly by such Borrower or Guarantor.

(e) No resignation or termination of the appointment of Administrative Borrower as agent as aforesaid shall be effective, except after ten (10) Business Days' prior written notice to Agent. If the Administrative Borrower resigns under this Agreement, Borrowers shall be entitled to appoint a successor Administrative Borrower (which shall be a Borrower) by written notice to Agent. Upon delivery to Agent of the written acceptance of its appointment as successor Administrative Borrower hereunder, such successor Administrative Borrower shall succeed to all the rights, powers and duties of the retiring Administrative Borrower and the term "Administrative Borrower" shall mean such successor Administrative Borrower and the retiring or terminated Administrative Borrower's appointment, powers and duties as Administrative Borrower shall be terminated.

17.15 Currency Indemnity. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any of the other Loan Documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any of the other Loan Documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the exchange rate at which Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the rate of exchange rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Agent of the amount due, Borrowers will, on the date of receipt by Agent, pay such additional amounts, if any, as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by Agent is the amount then due under this Agreement or such other of the Loan Documents in the Currency Due. If the amount of the Currency Due which Agent is able to purchase is less than the

amount of the Currency Due originally due to it, Borrowers and Guarantors shall indemnify and save Agent harmless from and against loss or damage arising as a result of such deficiency. If the amount of the Judgment Currency which Agent is able to purchase is greater than the amount of the Judgment Currency original due it, Agent agrees, so long as no Event of Default has occurred and is continuing, to return the amount of any excess to Borrowers (or to any other Person who may be entitled thereto under applicable law). The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any of the other Loan Documents or under any judgment or order.

17.16 Anti-Money Laundering Legislation.

(a) Each Loan Party acknowledges that, pursuant to the Proceeds of Crime Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, under the laws of Canada (collectively, including any guidelines or orders thereunder, "AML Legislation"), Agent and Lenders may be required to obtain, verify and record information regarding each Loan Party, its respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Administrative Borrower shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assign or participant of a Lender or Agent, necessary in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If Agent has ascertained the identity of any Loan Party or any authorized signatories of any Loan Party for the purposes of applicable AML Legislation, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

(c) Notwithstanding the provisions of this Section 17.16 and except as may otherwise be agreed in writing, each Lender agrees that Agent has no obligation to ascertain the identity of the Loan Parties or any authorized signatories of the Loan Parties on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Loan Parties or any such authorized signatory in doing so.

17.17 Quebec Interpretation. For all purposes pursuant to which the interpretation or construction of this Agreement may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) "personal property" shall include "movable property," (b) "real property" shall include "immovable property," (c) "tangible property" shall include "corporeal property," (d) "intangible property" shall include "incorporeal property," (e) "security interest," "mortgage" and "lien" shall include a "hypothec," "prior claim" and a "resolutory clause," (f) all references to filing, registering or recording under the Code or PPSA shall include publication under the Civil Code of Quebec, (g) all references to "perfection" of or "perfected" liens or security interest shall include a reference to an "opposable" or "set up" hypothec as against third parties, (h) any "right of

offset," "right of setoff" or similar expression shall include a "right of compensation," (i) "goods" shall include corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary," (k) "construction liens" shall include "legal hypothecs" in favour of persons having taken part in the construction or renovation of an immovable, (l) "joint and several" shall include solidary, (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault," (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary," (o) "easement" shall include "servitude," (p) "priority" shall include rank or "prior claim," as applicable, (q) "survey" shall include "certificate of location and plan," (r) "fee simple title" shall include "ownership," (s) "leasehold interest" shall include a "valid lease," and (t) "lease" shall include a "leasing contract."

17.18 Intercreditor Agreement Governs. Notwithstanding anything herein or in any other Loan Document to the contrary:

(a) The terms of the Loan Documents, the Liens created by any Security Documents and the rights and remedies of the Lender Group hereunder and thereunder are subject to the terms of the Intercreditor Agreement.

(b) In the event of any conflict or inconsistency between the terms of the Intercreditor Agreement, on one hand, and the terms of this Agreement or any other Loan Document, on the other hand, the terms of the Intercreditor Agreement shall govern and control.

[Signature pages to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

COLT DEFENSE LLC, as a Borrower

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT SECURITY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT FINANCE CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

NEW COLT HOLDING CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT DEFENSE TECHNICAL SERVICES LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

CDH II HOLDCO INC., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING IP HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA CORPORATION, as a Borrower

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA IP HOLDING COMPANY, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT INTERNATIONAL COÖPERATIEF U.A., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: Director

CANTOR FITZGERALD SECURITIES,
as Agent

By: _____
Name:
Title:

[ ],
as a Lender

By: _____
Name:
Title:

Schedule 1.1

As used in the Agreement, the following terms shall have the following definitions:

"Account" means an account (as that term is defined in the Code).

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Accounting Changes" means changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (or successor thereto or any agency with similar functions).

"Additional Documents" has the meaning specified therefor in Section 5.11 of the Agreement.

"Additional Lender" has the meaning specified therefor in Section 2.9(b) of the Agreement.

"Additional Loan Request Notice" has the meaning specified therefor in Section 2.9(b) of the Agreement.

"Additional Loans" has the meaning specified therefor in Section 2.9(a) of the Agreement.

"Additional Permitted Holder Amount" has the meaning specified therefor in the recitals of the Agreement.

"Administrative Borrower" has the meaning specified therefor in Section 17.14(a) of the Agreement.

"Affected Lender" has the meaning specified therefor in Section 2.7(b) of the Agreement.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests of such Person, by contract, or otherwise; provided, however, that, for purposes of Section 6.13 of the Agreement: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests of such Person having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each current and former (within the five-year period prior to the Closing Date) officer and/or director (or comparable manager) of a Loan Party or of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of a Loan Party shall be deemed to be an Affiliate of such a Loan Party, (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person and (d) any Person that is a current or former (within the five-year period prior to the Closing Date) partner, member or principal (or any employee acting in any such capacity) of any Loan Party or a consultant (other than any consultants, financial advisors and/or other third party service providers of nationally recognized standing) of a Permitted Holder who, at such time, owns Equity Interests of a Loan Party or controls, or is controlled by or is under common control with, a Person who owns Equity Interests of a Loan Party shall be deemed to be an Affiliate of a Loan Party.

"Agent" has the meaning specified therefor in the preamble to the Agreement.

"Agent's Account" means the Deposit Account of Agent designated in writing by Agent from time to time.

"Agent's Liens" means the Liens granted by Parent or its Subsidiaries to Agent under the Loan Documents.

"Agent-Related Persons" means Agent, together with its Affiliates, officers, directors, employees, attorneys, and agents.

"Agreement" means the Third Lien Credit Agreement to which this Schedule 1.1 is attached.

"AML Legislation" has the meaning specified in Section 17.16 of the Agreement.

"Applicable Prepayment Premium" means, as of any date of determination, an amount equal to: (a) during the period from the Closing Date through the first anniversary of the Closing Date, 6.0% of the Loan repaid; (b) during the period from the day after the first anniversary of the Closing Date through the second anniversary of the Closing Date, 5.0% of the Loan repaid; (c) during the period from the day after the second anniversary of the Closing Date through the third anniversary of the Closing Date, 4.0% of the Loan repaid; (d) during the period from the day after the third anniversary of the Closing Date through the date that is six months after the third anniversary of the Closing Date, 3.0% of the Loan repaid; and (e) thereafter, 0.00% of the Loan repaid.

"Application Event" means the occurrence of (a) a failure by Borrowers to repay all of the Obligations in full on the Maturity Date, or (b) an Event of Default and the election by Agent (at the written direction of the Required Lenders) to require that payments and proceeds of Collateral be applied pursuant to Section 2.2(b)(ii) of the Agreement.

"Approved Confirmation Order" means the order of the Bankruptcy Court, in form and substance acceptable to the Agent and the Lenders, entered on [ ] [ ], [ ] at Docket No. [ ], confirming the Confirmed Plan of Reorganization.

"Assignee" has the meaning specified therefor in Section 13.1(a) of the Agreement.

"Assignment and Acceptance" means an Assignment and Acceptance Agreement substantially in the form of Exhibit A-1.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Bankruptcy Court" has the meaning specified therefor in the recitals of the Agreement, or any other court having jurisdiction over the Chapter 11 Cases.

"Bargaining Unit Defined Benefit Plan Calculation Error" has the meaning specified therefor in Schedule 4.11 to the Agreement.

"Bargaining Unit Defined Benefit Plan Calculation Error Event" means any event or series of events related to or arising from the Bargaining Unit Defined Benefit Plan Calculation Error which individually or in the aggregate for all such events results or may reasonably be expected to result in liabilities of any Pension Plan or of Parent, its Subsidiaries or ERISA Affiliates of more than $6,000,000 as determined prior to taking into account any assets or other liabilities of such Pension Plan.

"BIA" means the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"Board of Directors" means, as to any Person, the board of directors (or equivalent governing body in the case of any Person that is not a corporation) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Borrower" and "Borrowers" shall have the meanings assigned to such terms in the preamble to the Agreement.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York or the Province of Ontario, except that, the term "Business Day" also shall exclude any day on which banks are closed for dealings in US Dollar deposits in the London interbank market.

"Canadian Collateral" means Collateral consisting of assets or interests in assets of Canadian Loan Parties, and the proceeds thereof.

"Canadian Court" has the meaning specified therefor in the recitals to the Agreement.

"Canadian Guarantee" means the guarantee dated as of the date hereof in form and substance reasonably satisfactory to the Required Lenders, executed and delivered by the Canadian Loan Parties.

"Canadian Insolvency Law" means any of the BIA, the CCAA, and the Winding-Up Act, each as now and hereafter in effect, and any successors to such statutes and any proceeding under applicable federal or provincial corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

"Canadian Loan Party" and "Canadian Loan Parties" means, individually and collectively, Colt Canada and any other Loan Party organized under the laws of Canada or any province or territory thereof.

"Canadian Mortgage" means any Mortgage taken in respect of real property located in Canada.

"Canadian Pension Plan" means any plan, program or arrangement that is a pension plan for the purposes of any applicable pension benefits legislation or any tax laws of Canada or a Province thereof, whether or not registered under any such laws, which is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Borrower or any Guarantor in respect of any Person's employment in Canada with such Borrower or such Guarantor.

"Canadian Security Agreement" means the security agreement, dated as of the date hereof, in form and substance reasonably satisfactory to Required Lenders, executed and delivered by Canadian Loan Parties to Agent.

"Canadian Security Documents" means (a) the Canadian Security Agreement, the Canadian Guarantee, each Canadian Mortgage, each Deed of Hypothec and (b) any other Loan Document that grants, or purports to grant, a Lien on any Canadian Collateral, including, without limitation, each document identified on Schedule S to the Agreement (as such schedule may be amended or supplemented by Agent to add additional Canadian Security Documents in connection with the Loan Documents).

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Capitalized Lease Obligation" means that portion of the obligations under a Capital Lease that is required to be capitalized in accordance with GAAP.

"Cash Equivalents" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250,000,000, (e) Deposit Accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $250,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clause (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above; provided that, in the case of any Foreign Subsidiary, "Cash Equivalents" of such Foreign Subsidiary shall also include direct obligations of the sovereign country (or any agency thereof which is backed by the full faith and credit of such sovereign country) in which such Foreign Subsidiary is organized and is conducting business or in obligations fully and unconditionally guaranteed by such foreign country (or any agency thereof); provided, further, in the case of any Foreign Subsidiary that is not a Loan Party, "Cash Equivalents" of such Foreign Subsidiary shall also include securities and other investments held by such Foreign Subsidiary in the ordinary course of business which are substantially similar to the assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"Casualty Event" means any loss of title or any loss of or damage to or any destruction of, or any condemnation or other taking (including by any Governmental Authority) of, any property of Parent or any of its Subsidiaries. "Casualty Event" shall include any taking of all or any part of any real property of any person or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to

any Law, or by reason of the temporary requisition of the use or occupancy of all or any part of any real property of any person or any part thereof by any Governmental Authority, or any settlement in lieu thereof.

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"CCAA Recognition Proceedings" means the recognition proceedings commenced on June 17, 2015 by Colt Holding Company LLC, as the foreign representative on behalf of certain of the Loan Parties, under Part IV of the CCAA in the Ontario Superior Court of Justice (Commercial List) to recognize in Canada, the Chapter 11 Cases as foreign main or non-main proceedings.

"CDH II" has the meaning specified therefor in the preamble to the Agreement.

"CDTS" has the meaning specified therefor in the preamble to the Agreement.

"CERCLA" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601 *et seq.*, and all implementing regulations.

"CFS" has the meaning specified therefor in the preamble to the Agreement.

"Change of Control" means:

(a) prior to the first public offering of common stock of Parent, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting and economic power of the Equity Interests of Parent then outstanding, whether as a result of the issuance of securities of Parent, any merger, consolidation, winding up, liquidation or dissolution of Parent, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (a) and clause (b) below, the Permitted Holders shall be deemed to beneficially own any the Equity Interests of an entity (the "specified entity") held by any other entity (the "parent entity") so long as (x) the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the Equity Interests of the parent entity and (y) no "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), beneficially owns, directly or indirectly, a larger percentage of the Equity Interests of the parent entity than the Permitted Holders);

(b) on the date of or after the first public offering of common stock of Parent, any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting or economic power of Equity Interests of Parent or any of its direct or indirect parent entities (or their successors by merger, consolidation or purchase of all or substantially all of their assets);

(c) the Continuing Directors shall cease for any reason to constitute a majority of the Board of Directors of Parent then in office;

(d) except as otherwise expressly permitted herein, Parent shall cease to be the direct or indirect holder and owner of one hundred (100%) percent of the Equity Interests of the other Loan Parties; or

(e) a "Change of Control" under (and as defined in) the Senior Loan Agreement, the Term Loan Agreement or the Fourth Lien Note Indenture.

"Chapter 11 Cases" has the meaning specified therefor in the recitals of the Agreement.

"Closing Date" means the date on which the Loan is made pursuant to Section 2.1 of the Agreement and on which the conditions to effectiveness set forth in Section 3.1 hereof shall have been satisfied.

"Closing Date Transactions" means, collectively, the transactions contemplated by the Confirmed Plan of Reorganization and the Approved Confirmation Order, the Loan Documents and the Other Debt Documents (each as in effect on the Closing Date) to be consummated on the Closing Date, as amended in connection with the foregoing.

"Code" means the New York Uniform Commercial Code, as in effect from time to time; provided that, if by reason of any mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of the security interests granted to the Agent pursuant to any Loan Document are governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States of America other than New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of such perfection, effect of perfection or non-perfection or priority.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Parent or its Subsidiaries and all assets upon which a Lien is granted or purported to be granted by a Loan Party in favor of Agent or the Lenders under any of the Loan Documents.

"Collateral Access Agreement" means a landlord waiver, bailee letter, or acknowledgement agreement in favor of the Agent (subject to the Intercreditor Agreement) of any lessor, warehouseman, processor, consignee, freight forwarder, or other Person in possession of, having a Lien upon, or having rights or interests in Parent's or its Subsidiaries' books and records, Equipment, or Inventory, in each case, in form and substance satisfactory to Agent and the Required Lenders; provided that, prior to the Discharge of Senior Priority Obligations, any requirement to have a Collateral Access Agreement in effect shall be deemed satisfied if a Collateral Access Agreement for the relevant property is in effect in favor of a Senior Priority Agent (as defined in the Intercreditor Agreement); provided, further, that prior to the Discharge of the Senior Priority Obligations, Parent or the applicable Subsidiary shall have used commercially reasonable efforts to execute and deliver a Collateral Access Agreement for the relevant property to which the Agent is also a party.

"Collections" means all cash, checks, notes, instruments, and other items of payment (including insurance proceeds, cash proceeds of asset sales, rental proceeds, and tax refunds).

"Colt Canada" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt Defense" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt Finance" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt Netherlands" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt Security" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt US" shall have the meaning specified therefor in the preamble to the Agreement.

"Colt's Manufacturing" shall have the meaning specified therefor in the preamble to the Agreement.

"Commitment" means, with respect to each Lender, its obligation to make a portion of the Loan on the Closing Date in the principal amount shown on Schedule C-1 of the Agreement, and, with respect to all Lenders, their respective obligations to make the Loan on the Closing Date in the aggregate principal amount of $50,000,000, as the context requires.

"Compliance Certificate" means a certificate substantially in the form of Exhibit C-1 delivered by the chief financial officer of Administrative Borrower to Agent.

"Confidential Information" has the meaning specified therefor in Section 17.9(a) of the Agreement.

"Confirmed Plan of Reorganization" means the Debtors' Joint Plan of Reorganization dated as of [ ] [ ], [ ] and entered at Docket No. [ ] (without any amendments, changes or supplements thereto, except those approved by the Agent and the Required Lenders) as confirmed by the Bankruptcy Court in the Approved Confirmation Order, together with each permitted amendment and supplement thereto approved by the Required Lenders.

"Consolidated EBITDA" means, as to any Person and its Subsidiaries, for any period, the amount equal to (without duplication): (a) the Consolidated Net Income of such Person and its Subsidiaries for such period determined in accordance with GAAP, plus (b) as to such Person and its Subsidiaries, each of the following (in each case to the extent deducted in or excluded from the calculation of Consolidated Net Income for such period (in accordance with GAAP)): (i) the Interest Expense for such period, (ii) all Taxes of such Person and its Subsidiaries paid or accrued in accordance with GAAP for such period, (iii) depreciation and amortization (including, but not limited to, imputed interest and deferred compensation) for such period, all in accordance with GAAP, (iv) extraordinary, unusual or nonrecurring charges, expenses or losses that are incurred outside the ordinary course of business, other than contract start-up costs and losses, and other non-cash charges, expenses or losses; provided, however, in the case of the Loan Parties, the aggregate amount added back to Consolidated EBITDA pursuant to this clause (iv) shall not exceed $1,200,000, (v) other non-cash charges, expenses or losses, (vi) costs and expenses related to the Chapter 11 Cases and (vii) management fees, to the extent permitted to be paid pursuant to Section 6.8 of the Agreement.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the net income (loss) of such Person and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; provided, that, (a) except to the extent included pursuant to the foregoing clause and except to the extent necessary to reflect Consolidated Net Income on a pro forma basis as provided herein, the net income of any Person accrued prior to the date it becomes a Subsidiary of such Person or is merged into or consolidated or amalgamated with such Person or any of its Subsidiaries or that Person's assets are acquired by such Person or by any of its Subsidiaries shall be excluded; and (b) the net income (if positive) of any Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary to such Person or to any other Subsidiary of such Person is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Subsidiary shall be excluded, other than any distribution or dividend actually received in cash by such Person or its Subsidiaries, (c) any non-cash

compensation expense recorded from grants of stock appreciation or similar rights, stock options or other rights to officers, directors or employees shall be excluded, (d) any impairment charges or asset writeoffs, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded, (e) any after tax effect of income (loss) from early extinguishment of Indebtedness or Hedge Agreements or other derivative instruments or any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging transactions for currency exchange risk shall be excluded, (f) any extraordinary non-cash gain or loss shall be excluded and (g) the cumulative effect of a change in accounting principles shall be excluded. For the purpose of this definition, net income excludes any gain together with any related Taxes for such gain realized upon the sale or other disposition of any assets outside of the ordinary course of business or of any Equity Interests of such Person or a Subsidiary of such Person.

"Continuing Director" means (a) any member of the Board of Directors of Parent who was a director (or comparable manager) on the Closing Date, after giving effect to the execution and delivery of the Agreement and the other transactions contemplated hereby to occur on such date, and (b) any individual who becomes a member of the Board of Directors of Parent after the Closing Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"Control Agreement" means a control agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by Parent or one of its Subsidiaries, Agent (subject to the Intercreditor Agreement), and the applicable securities intermediary (with respect to a Securities Account) or bank (with respect to a Deposit Account); provided that, prior to the Discharge of Senior Priority Obligations, any requirement to have a Control Agreement in effect shall be deemed satisfied if a control agreement for the relevant Securities Account or Deposit Account is in effect in favor of a Senior Priority Agent (as defined in the Intercreditor Agreement); provided, further, that prior to the Discharge of Senior Priority Obligations, Parent or the applicable Subsidiary shall have used commercially reasonable efforts to execute and deliver a control agreement for the relevant Securities Account or Deposit Account to which the Agent is also a party.

"Copyright Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"Criminal Code Section" has the meaning specified in Section 2.3 of the Agreement.

"Cure Amount" has the meaning specified in Section 8 of the Agreement.

"Cure Notice" has the meaning specified in Section 8 of the Agreement.

"Cure Right" has the meaning specified in Section 8 of the Agreement.

"Currency Due" has the meaning specified in Section 17.15 of the Agreement.

"Current Assets" means as at any date of determination, the total assets of Parent and its Subsidiaries (other than cash and Cash Equivalents) which may properly be classified as current assets on a consolidated balance sheet of Parent and its Subsidiaries in accordance with GAAP, excluding any increase in Current Assets in respect of any Excluded Issuances.

"Debtor" and "Debtors" each have the meaning specified therefor in the recitals to the Agreement.

"Debtor Relief Laws" means the Bankruptcy Code of the United States, Canadian Insolvency Laws, 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, Canada or other applicable jurisdictions from time to time in effect.

"Deed of Hypothec" has the meaning specified in Section 15.19 of the Agreement.

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

"Defaulting Lender" means any Lender that (a) has failed to fund any amounts required to be funded by it under the Agreement on the date that it is required to do so under the Agreement, (b) notified Administrative Borrower, Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by the Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to Agent or any other Lender any other amount required to be paid by it under the Agreement on the date that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or Insolvency Proceeding, or has had a Receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or Insolvency Proceeding, or has had a Receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

"Deposit Account" means any deposit account (as that term is defined in the Code).

"Designated Accounts" means any Deposit Account into which Collateral is or is required to be deposited, including the IP Proceeds Account, all as identified on Schedule D-1, in each case, which is subject to a perfected third priority lien in favor of the Agent and a Control Agreement.

"Discharge of Senior Priority Obligations" has the meaning specified therefor in the Intercreditor Agreement.

"Disclosure Statement" means that certain Disclosure Statement for Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code, filed with the Bankruptcy Court, at Docket No. 678, on November 10, 2015.

"Disqualified Equity Interest" means, with respect to any Person, any Equity Interest in such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof) or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by such Person or any of its Affiliates, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Maturity Date; provided, that, an Equity Interest that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale" or a "change of control" shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full in cash of all of the Obligations and the termination of the Commitments.

"Disqualified Lender" means any of the Persons listed on Schedule E-1 as of the Closing Date and any other Persons identified from time to time in writing to the Agent to the extent reasonably acceptable to the Agent.

"Dutch Guaranty" means a general continuing guaranty of the Obligations executed and delivered by Colt Netherlands in favor of Agent, for the benefit of Agent and the Lenders, in form and substance satisfactory to Agent and the Required Lenders, as amended, modified, restated and/or supplemented from time to time.

"Dutch Loan Party" and "Dutch Loan Parties" means, individually and collectively, Colt Netherlands and any other Loan Party organized under the laws of the Netherlands.

"Dutch Parallel Debt" shall have the meaning specified therefor in Section 15.20.

"Dutch Security Documents" means (a) each document identified as a Dutch Security Document on Schedule S to the Agreement (as such Schedule may be amended or supplemented by Agent (at the direction of the Required Lenders) to add additional Dutch Security Documents in connection with the Loan Documents) and (b) any other documents governed by Dutch law under which security rights are granted to Agent.

"Eligible Transferee" means (a) a commercial bank organized under the laws of the United States, or Canada or any state, province or territory thereof, (b) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development or a political subdivision of any such country; provided, that such bank is acting through a branch or agency located in the United States or Canada, (c) a finance company, insurance company, or other financial institution or fund that is engaged in making, purchasing, or otherwise investing in commercial loans in the ordinary course of its business, (d) any Affiliate (other than individuals) of a pre-existing Lender, (e) so long as no Event of Default has occurred and is continuing, any other Person approved by Agent, and (f) during the continuation of an Event of Default, any other Person; provided that for the avoidance of doubt no Disqualified Lender shall be an Eligible Transferee.

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, (a) that is or within the preceding six (6) years has been sponsored, maintained or contributed to by any Loan Party or ERISA Affiliate or (b) to which any Loan

Party or ERISA Affiliate has, or has had at any time within the preceding six (6) years, any liability, contingent or otherwise.

"Environmental Action" means any summons, citation, written notice, directive, order, claim, judicial or administrative proceeding, judgment, or other written communication from any Governmental Authority or any third party, alleging liability for or obligation with respect to any investigation, remediation, removal, cleanup, response, corrective action, damages to natural resources, personal injury, property damage, fines, penalties or other costs resulting from, related to or arising out of (i) the presence, Release or threatened Release of Hazardous Materials at any location or (ii) circumstances forming the basis of any violation or alleged violation of any Environmental Law, and shall include any claim seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from, related to or arising out of the presence, Release or threatened Release of Hazardous Material.

"Environmental Law" means any applicable federal, state, provincial, territorial, foreign or local statute, law, by-law, rule, regulation, ordinance, code, binding and enforceable guideline, binding and enforceable written policy, requirements of Governmental Authorities, or rule of common law now or hereafter in effect and in each case as amended, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case relating to protection of the environment, or human health or safety (including, without limitation, ambient air, vapor, surface water, ground water, land surface or subsurface strata, and natural resources), including, without limitation, Laws relating to (i) Releases or threatened Releases of, or exposure to, Hazardous Materials, (ii) the manufacture, processing, distribution, use, treatment, storage, containment (whether above ground or underground), transport, handling, or disposal of Hazardous Materials, (iii) recordkeeping, notification, disclosure, or reporting requirements regarding Hazardous Materials, (iv) endangered or threatened species of fish, wildlife and plants, and the management or use of natural resources, or (v) the preservation of the environment or mitigation of adverse effects on or to human health or the environment.

"Environmental Liabilities" means all liabilities, monetary obligations, losses (including monies paid in settlement), damages, costs and expenses (including all reasonable fees, disbursements and expenses of counsel, experts, or consultants, and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any Remedial Action, Release or threatened Release of Hazardous Materials, any violation of Environmental Law, or any Environmental Action.

"Environmental Lien" means any Lien in favor of any Governmental Authority for Environmental Liabilities.

"Environmental Permit" means any permit, registration, certificate, qualification, approval, identification number, license or other authorization required under or issued pursuant to any applicable Environmental Law or by any Governmental Entity pursuant to its authority under Environmental Law.

"Equipment" means equipment (as that term is defined in the Code).

"Equity Interests" means, with respect to any Person, all of the shares, interests, participations or other equivalents (however designated) of such Person's capital stock or general partnership, limited partnership, limited liability company or other equity, ownership or profit interests at any time outstanding, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), but excluding any interests in phantom equity plans and any debt security that is convertible into or

exchangeable for such shares, and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any reference to a specific section of ERISA shall be deemed to be a reference to such section of ERISA and any successor statutes, and all regulations and guidance promulgated thereunder.

"ERISA Affiliate" means each entity, trade or business (whether or not incorporated) that together with a Loan Party or a Subsidiary would be (or has been) treated as a "single employer" within the meaning of section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of section 414 of the IRC. ERISA Affiliate shall include any Subsidiary of any Loan Party.

"Event of Default" has the meaning specified therefor in Section 8 of the Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as in effect from time to time.

"Excluded Issuances" means (a) the issuance of Qualified Equity Interests of Parent to directors, officers and employees of Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors of Parent and permitted under the Agreement), (b) in the event that Parent or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Qualified Equity Interests to Parent or such Subsidiary, as applicable, (c) the issuance of Qualified Equity Interests of Parent (i) in order to finance the purchase consideration (or a portion thereof) in connection with an Investment permitted under clause (r)(ii) of the definition of Permitted Investments, (ii) in order to finance Capital Expenditures permitted under the Agreement and/or (iii) so long as no Default or Event of Default shall have occurred and be continuing, for working capital purposes of Parent and its Subsidiaries (other than for the prepayment of Indebtedness permitted under Section 6.8(a)(ii)), (d) so long as no Default or Event of Default shall have occurred and be continuing, the issuance of Qualified Equity Interests of Parent in order to fund the prepayment of Indebtedness permitted under Section 6.8(a)(ii) and (e) the issuance of Qualified Equity Interests by a Subsidiary of Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) through (d) above, but solely to the extent that (i) in the case of clauses (a) through (e) above, prior to the issuance of any such Qualified Equity Interests, Administrative Borrower has provided Agent with written notice of Borrowers' intention to apply the proceeds of such Qualified Equity Interests in accordance with clause (a), (b), (c), (d) or (e) above, and (ii) in the case of clauses (c)(i), (c)(ii) and (d) above, the use of the proceeds of such issuance or sale of Qualified Equity Interests occurs substantially contemporaneously with the issuance or sale of such Qualified Equity Interests.

"Excluded Property" has the meaning specified in the US Security Agreement or the Canadian Security Documents, as the case may be.

"Existing IP Licenses" means the licenses in effect on the Closing Date (wherein such licenses may be amended or renewed from time to time provided they have substantially the same terms and conditions as on the Closing Date) as set forth on Schedule L-1.

"Existing Term Loan DIP Facility" means that certain senior secured superpriority debtor-in-possession term loan agreement dated as of June 16, 2015, as amended, entered into by Colt US, Colt

Finance, New Colt, Colt's Manufacturing, Colt Canada, the subsidiaries and affiliates of Colt US named as guarantors therein, the lenders named therein and Wilmington Savings Fund Society, FSB, as agent.

"Extraordinary Receipts" means any payments in cash received by Parent or any of its Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.2(e)(ii) of the Agreement) consisting of (a) proceeds of judgments, proceeds of settlements, or other consideration of any kind received in connection with any cause of action or claim, (b) indemnity payments (other than to the extent such indemnity payments are immediately payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, (c) foreign, federal, state, provincial, territorial or local tax refunds, (d) pension plan reversions, and (e) any purchase price adjustment received in connection with any purchase agreement, in each case, after deducting therefrom, to the extent applicable, taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such event, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"Facility" has the meaning specified therefor in the recitals to the Agreement.

"FATCA" means Sections 1471 through 1474 of the IRC, as of the date of the Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the IRC as of the date of the Agreement.

"Fee Letter" means that certain letter agreement referred to in Section 2.6(a) of even date herewith among the Borrowers and the Agent.

"Finance Party" means Agent or any Lender.

"Fixed Charge Coverage Ratio" means, as of any date of determination, (a) Consolidated EBITDA for the prior twelve month period *less*, the sum of Capital Expenditures, member distributions, management fees, rent expenses (to the extent not reducing Net Income) and foreign and domestic cash income taxes, *plus* the benefit of actual expense reductions over the course of the succeeding three fiscal quarters and the benefit of revenues to be received on account of billed and shipped orders over the course of the succeeding three fiscal quarters, *less* the amount of expenses previously assumed to be reduced in a succeeding fiscal quarter but not actually realized in such fiscal quarter, and *less* the amount of revenue assumed to be received in a succeeding fiscal quarter but not actually received in such fiscal quarter), divided by (b) Interest Expenses payable in cash for the prior twelve month period.

"Flow of Funds Agreement" means a flow of funds agreement, dated as of even date herewith, in form and substance satisfactory to Agent and the Required Lenders, executed and delivered by each Loan Party, Agent, the Term Loan Agent and Senior Loan Agent.

"Foreign Lender" means any Lender or Participant that is not a United States person within the meaning of IRC Section 7701(a)(30).

"Foreign Security Documents" means each Canadian Security Document, each Dutch Security Document and each other security document entered into by a Foreign Subsidiary of Parent in favor of Agent.

"Foreign Subsidiary" means a direct or indirect Subsidiary of a Loan Party organized or incorporated under the laws of a jurisdiction other than a State of the United States of America, the United States of America or the District of Columbia.

"Fourth Lien Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to the Fourth Lien Trustee and Fourth Lien Holders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Fourth Lien Note Documents, which shall be subject to the terms of the Intercreditor Agreement.

"Fourth Lien Debt Amount" means $7,000,000 initially and, after giving effect to any accrued interest capitalized from time to time in accordance with the terms of the Fourth Lien Note Indenture, $10,000,000.

"Fourth Lien Holders" means the holders of the Fourth Lien Notes.

"Fourth Lien Note Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, except to the extent prohibited by the Agreement or the Intercreditor Agreement): (a) the Fourth Lien Note Indenture; (b) each other "Fourth Lien Note Document" (as defined in the Fourth Lien Note Indenture) and (c) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Fourth Lien Trustee or any Fourth Lien Holder in connection therewith or related thereto; sometimes being referred to herein individually as a "Fourth Lien Note Document".

"Fourth Lien Note Indenture" means that certain Indenture, dated as of [ ] [ ], [ ], entered into by the Fourth Lien Trustee, Colt US, as issuer of the Fourth Lien Notes, and the other Loan Parties party thereto from time to time as guarantors, as amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, except to the extent prohibited by the terms of the Agreement or the Intercreditor Agreement.

"Fourth Lien Notes" means the 8.00% Fourth Priority Secured Notes due [ ] of Colt US issued pursuant to the Fourth Lien Notes Indenture.

"Fourth Lien Trustee" means Wilmington Trust, National Association, in its capacity as trustee and/or collateral agent, as the context may require, under the Fourth Lien Note Indenture, together with its successors and assigns in any such capacity.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied; provided, that, all calculations relative to liabilities shall be made without giving effect to Statement of Financial Accounting Standards No. 159.

"Governing Documents" means, with respect to any Person, the certificate or articles of incorporation, by-laws, or other organizational documents of such Person.

"Governmental Authority" means any federal, state, provincial, territorial, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Guarantors" means (a) Parent, (b) Colt's Manufacturing, (c) Colt Finance, (d) CDTS, (e) New Colt, (f) CDH II, (g) Colt Canada, (h) Colt Netherlands, (i) Colt Security, (j) IP Holdcos, and (k) any other Person that becomes a guarantor under the Agreement after the Closing Date; and "Guarantor" means any one of them.

"Guaranty" means each guaranty, including, without limitation, the Dutch Guaranty, executed by any Guarantor in favor of Agent, for the benefit of the Secured Parties, in form and substance reasonably satisfactory to the Required Lenders.

"Hazardous Materials" means, regardless of amount or quantity, (a) any element, compound, substance or chemical that is defined or listed in, or otherwise classified or regulated pursuant to, any Environmental Laws as a contaminant, pollutant, "hazardous substances," "hazardous materials," "hazardous wastes," "toxic substances," or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, reproductive toxicity, or "EP toxicity," (b) oil, petroleum, or petroleum derived substances, natural gas, natural gas liquids, synthetic gas, drilling fluids, produced waters, and other wastes associated with the exploration, development, or production of crude oil, natural gas, or geothermal resources, (c) any flammable substances or explosives or any radioactive materials, (d) asbestos in any form and polychlorinated biphenyls ("PCBs"), and (e) any other chemical, material or substance regulated under any Environmental Law.

"Hedge Agreement" means (a) any commodities futures contract, commodity swap, commodity option or similar agreement or arrangement entered into by any Loan Party designed to protect such Loan Party against fluctuations in the price of commodities actually used in the ordinary course of business of such Loan Party, (b) any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement designed to protect a Loan Party against fluctuations in interest rates, and (c) any foreign currency exchange contract, currency swap agreement, currency futures contract, currency option contract or other similar agreement or arrangement designed to protect a Loan Party against fluctuations in currency exchange rates.

"Holdout Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"IFRS" means the International Financial Reporting Standards.

"IFRS Adoption" has the meaning specified therefor in Section 1.2 of the Agreement.

"Increase Effective Date" has the meaning specified therefor in Section 2.9(c) of the Agreement.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other

Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, (ii) the amount of any Indebtedness described in clause (d) above shall be the lower of the amount of the obligation and the fair market value of the assets of such Person securing such obligation and (iii) any earn-out obligation of a Person shall not constitute Indebtedness for the purposes of calculating any of the financial ratios herein until such obligation constitutes a liability on the balance sheet of such Person.

"Indemnified Liabilities" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Person" has the meaning specified therefor in Section 10.3 of the Agreement.

"Indemnified Taxes" means any Taxes now or hereafter imposed by any Governmental Authority with respect to any payments by any Loan Party under any Loan Document; provided, however, that Indemnified Taxes shall exclude (i) any Tax imposed on or measured by the net income of Agent, any Lender or any Participant (including any branch profits Taxes) and any franchise or similar Taxes in lieu thereof, in each case (A) imposed by the jurisdiction (or by any political subdivision or taxing authority thereof) in which Agent, such Lender or such Participant is organized or in which Agent's, such Lender's or such Participant's principal office or applicable lending office is located or (B) as a result of any other present or former connection between Agent, such Lender or such Participant and the jurisdiction (or political subdivision or taxing authority thereof) imposing the Tax (other than any such connection arising solely from Agent, such Lender or such Participant having executed, delivered or performed its obligations or received payment under, or enforced its rights or remedies under the Agreement or any other Loan Document); (ii) Taxes resulting from a Lender's or a Participant's failure to comply with the requirements of Section 16.2(a), (b), (c) or (d) of the Agreement, (iii) any United States federal withholding Taxes that would be imposed on amounts payable to a Foreign Lender based upon the applicable withholding rate in effect at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), except that Indemnified Taxes shall include any such amount that such Foreign Lender (or its assignor, if any) was previously entitled to receive pursuant to Section 16.1 of the Agreement, if any, with respect to such withholding Tax at the time such Foreign Lender becomes a party to the Agreement (or designates a new lending office), (iv) provided that neither the Agent nor any Lender or any Participant would be considered to be dealing, at non-arm's length within the meaning of the Income Tax Act (Canada) solely as a result of enforcement of security, any Canadian federal withholding Taxes imposed on amounts payable to Agent, any Lender or any Participant under the Income Tax Act (Canada), as amended, because the Agent, such Lender or such Participant is not dealing at arm's length with the applicable Loan Party for purposes of the Income Tax Act (Canada), as amended, (v) provided that neither the Agent nor any Lender or any Participant would be considered to be dealing, at non-arm's length within the meaning of the Income Tax Act (Canada) solely as a result of enforcement of security, any Canadian federal withholding taxes imposed on amounts payable to any Agent, Lender or Participant under the Income Tax Act (Canada), as amended, as a result of any Agent, Lender or Participant being or not dealing at arm's length with a "specified shareholder" of the applicable Loan Party within the meaning of subsection 18(5) of the Income Tax Act (Canada) as amended, and (vi) any United States federal withholding Taxes imposed as a result of Agent's, any Lender's or any Participant's failure or inability to comply with the requirements of Sections 1471 through 1474 of the IRC or any regulations promulgated thereunder to establish an exemption from withholding Tax thereunder, any intergovernmental agreement entered into in connection with the implementation of such sections of the IRC and any U.S. or non-U.S. regulations or other governmental rules adopted to implement such intergovernmental agreement.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the CCAA, the BIA or the Winding-Up Act or under any other provincial, territorial, state or federal bankruptcy or insolvency law or any bankruptcy or insolvency law of any other applicable jurisdiction, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief, including any proceeding under applicable Canadian federal or provincial corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

"Intellectual Property" means all domestic and foreign rights, title and interest in the following: (i) inventions, discoveries and ideas, whether patentable or not, and all patents, registrations and applications therefor, including without limitation divisions, continuations, continuations-in-part, reexaminations, reissues and renewal applications; (ii) published and unpublished works of authorship, whether copyrightable or not, copyrights therein and thereto and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (iii) trademarks, service marks, trade names, trade dress, brand names, Internet domain names, logos, symbols, and other indicia of origin, all applications and registrations for all of the foregoing, and all goodwill associated therewith and symbolized thereby, including without limitation all extensions, modifications and renewal of the same; (iv) confidential and proprietary information, trade secrets and know-how, including, without limitation, TDPs, formulae, processes, compounds, drawings, designs, industrial designs, blueprints, surveys, reports, manuals, operating standards and customer lists; (v) software and contract rights relating to computer software programs, in whatever form created or maintained; and (vi) all other intellectual property rights or proprietary rights and claims or causes of action arising out of or related to any infringement, misappropriation or other violation of any of the foregoing throughout the world, including, without limitation, rights to recover for past, present and future violations thereof and any and all products and proceeds of the foregoing.

"Intercompany Subordination Agreement" means an intercompany subordinated note executed and delivered by the Loan Parties and the other parties thereto, the form and substance of which is reasonably satisfactory to the Agent.

"Intercreditor Agreement" means that certain Junior Intercreditor Agreement, dated as of the date hereof, entered into between the Senior Loan Agent, Term Loan Agent, the Agent and the Fourth Lien Trustee, as acknowledged and agreed to by the Borrowers and Guarantors, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced in accordance with the terms thereof and terms of the Agreement.

"Interest Expense" means, for any period, as to any Person, as determined in accordance with GAAP, the amount equal to total interest expense of such Person and its Subsidiaries on a consolidated basis for such period, whether paid or accrued (including the interest component of any Capital Lease for such period), and in any event, including, without limitation, (a) discounts in connection with the sale of any Accounts, (b) bank fees, commissions, discounts and other fees and charges in each case owed with respect to letters of credit, banker's acceptances or similar instruments or any factoring, securitization or similar arrangements, (c) interest payable by addition to principal or in the form of property other than cash and any other interest expense not payable in cash, and (d) the costs or fees for such period associated with Hedge Agreements to the extent not otherwise included in such total interest expense; provided, that, for purposes of the determination of Consolidated EBITDA, Interest Expense shall include, to the extent treated as interest in accordance with GAAP, all non-cash amounts in connection with borrowed money (including paid-in-kind interest).

"Inventory" means inventory (as such term is defined in the Code).

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* Accounts arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"IP Holdcos" has the meaning specified therefor in the preamble to the Agreement.

"IP License" means any exclusive or non-exclusive license or sublicense of any Intellectual Property owned or controlled by any Loan Party (other than the Existing IP Licenses).

"IP License Proceeds" means the net proceeds of royalties and other payments (upfront or otherwise) received in connection with each exclusive or non-exclusive license or sublicense of Intellectual Property owned or controlled by any Loan Party to a third party, including the Existing IP Licenses; provided, however, for the avoidance of doubt, proceeds other than royalties arising from or related to Intellectual Property received under agreements permitted under Sections 6.1(c)(2)(a)(i) and (ii) of this Agreement are excluded from IP License Proceeds..

"IP Proceeds Account" has the meaning specified in Section 6.3(c).

"IP Reporting Certificate" means an IP reporting certificate substantially in the form of Exhibit I-1 executed and delivered by the Loan Parties to Agent.

"IRC" means the Internal Revenue Code of 1986, as in effect from time to time.

"ITAR" means the International Traffic in Arms Regulations (22 CFR 120-130).

"Judgment Currency" has the meaning specified in Section 17.15 of the Agreement.

"Law" or "law" means each provision of any currently implemented Federal, state, provincial, territorial, local, foreign, national, international or supranational treaty, law, statute, ordinance, order, code, rule or regulation, promulgated or issued by any Governmental Authority.

"Lender" has the meaning specified therefor in the preamble to the Agreement, and shall also include any other Person made a party to the Agreement pursuant to the provisions of Section 13.1 of the Agreement or pursuant to an amendment hereto and "Lenders" means each of the Lenders or any one or more of them.

"Lender Group" means each of the Lenders and Agent, or any one or more of them.

"Lender Group Expenses" means all (a) costs or expenses (including taxes, and insurance premiums) required to be paid by Parent or its Subsidiaries under any of the Loan Documents that are paid, advanced, or incurred by the Lender Group, (b) reasonable and documented out-of-pocket fees or charges paid or incurred by Agent and each Lender in connection with the Lender Group's transactions with Parent or its Subsidiaries under any of the Loan Documents, including, fees or charges for photocopying, notarization, couriers and messengers, telecommunication, public record searches (including tax lien, litigation, and PPSA and UCC searches and including searches with the patent and trademark office, or the copyright office, or similar searches with respect to the Canadian Loan Parties and the Dutch Loan Parties), filing, recording, publication, appraisal (including periodic collateral

appraisals to the extent of the fees and charges (and up to the amount of any limitation) contained in the Agreement or the Fee Letter), real estate surveys, real estate title policies and endorsements, and environmental audits, (c) Agent's customary fees and charges (as adjusted from time to time) with respect to the disbursement of funds (or the receipt of funds) to or for the account of any Borrower (whether by wire transfer or otherwise) or with respect to the establishment of electronic collateral reporting systems, together with any reasonable and documented out-of-pocket costs and expenses incurred in connection therewith, (d) reasonable and documented out-of-pocket charges paid or incurred by Agent resulting from the dishonor of checks payable by or to any Loan Party, (e) reasonable out-of-pocket costs and expenses paid or incurred by the Lender Group to correct any default or enforce any provision of the Loan Documents, or during the continuance of an Event of Default, in gaining possession of, maintaining, handling, preserving, storing, shipping, selling, preparing for sale, or advertising to sell the Collateral, or any portion thereof, irrespective of whether a sale is consummated, (f) subject to the terms of Section 5.7 of the Agreement, all reasonable and documented out-of-pocket expenses and costs heretofore and from time to time hereafter incurred by Agent during the course of periodic field examinations of the Collateral and Borrowers' operations, plus a per diem charge at Agent's then standard rate for Agent's examiners in the field and office (which rate as of the date hereof is $1,000 per person per day), (g) reasonable and documented out-of-pocket costs and expenses of third party claims or any other suit paid or incurred by the Lender Group in enforcing or defending the Loan Documents or in connection with the transactions contemplated by the Loan Documents or the Lender Group's relationship with Parent or any of its Subsidiaries, (h) Agent's and each Lender's reasonable and documented costs and expenses (including reasonable attorneys and financial advisor fees) incurred in advising, structuring, drafting, reviewing, administering (including travel, meals, and lodging), syndicating, or amending the Loan Documents, and (i) Agent's and each Lender's reasonable and documented costs and expenses (including reasonable attorneys, accountants, consultants, financial advisors, and other advisors fees and expenses) incurred in terminating, enforcing (including attorneys, accountants, consultants, and other advisors fees and expenses incurred in connection with a "workout," a "restructuring," or an Insolvency Proceeding concerning Parent or any of its Subsidiaries or in exercising rights or remedies under the Loan Documents), or defending the Loan Documents, irrespective of whether suit is brought, or in taking any Remedial Action concerning the Collateral.

"Lender Group Representatives" has the meaning specified therefor in Section 17.9 of the Agreement.

"Lender-Related Person" means, with respect to any Lender, such Lender, together with such Lender's Affiliates, officers, directors, employees, attorneys, and agents.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, hypothec, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Liquidity" means all Unrestricted Cash and Cash Equivalents of the Loan Parties (on a consolidated basis) that are subject to a Control Agreement, it being understood that cash on deposit in any IP Proceeds Account that constitutes Collateral shall be considered Unrestricted Cash.

"Loan" has the meaning specified therefor in Section 2.1 of the Agreement.

"Loan Account" has the meaning specified therefor in Section 2.5 of the Agreement.

"Loan Documents" means the Agreement, the Control Agreements, any Copyright Security Agreement, the Fee Letter, any Guaranty, any Intercompany Subordination Agreement, the Mortgages, any Patent Security Agreement, the US Security Agreement, any Trademark Security Agreement, any other Security Document, the Intercreditor Agreement, the Collateral Assignment, the Approved Confirmation Order, any UCC Filing Authorization Letter or similar authorization, any Fee Letter, any note or notes executed by any Borrower in connection with the Agreement and payable to any member of the Lender Group, any Canadian Security Document, any Dutch Security Documents, the Flow of Funds Agreement, any amendments or modifications to any of the foregoing and any other agreement entered into or certificate issued, now or in the future, by Parent or any of its Subsidiaries in connection with the Agreement.

"Loan Party" means any Borrower or any Guarantor.

"Management Agreements" means (i) [*Describe new Sciens Management Agreement]* and (ii)[*Describe new Newport/Fidelity Management Agreement]*, in each case, as amended, restated, modified or supplemented from time to time in accordance with the terms hereof.

"Margin Stock" as defined in Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

"Material Adverse Change" means (a) a material adverse change in the business, operations, assets, condition (financial or otherwise) or prospects of Parent and its Subsidiaries, taken as a whole, (b) a material impairment of Parent's and its Subsidiaries ability to perform their obligations under the Loan Documents to which they are parties or of the Lender Group's ability to enforce the Obligations or realize upon the Collateral, or (c) a material impairment of the enforceability or priority of Agent's Liens with respect to the Collateral as a result of an action or failure to act on the part of Parent or its Subsidiaries.

"Material Contract" means (i) each Senior Loan Document, (ii) each Term Loan Document, (iii) each Fourth Lien Note Document, (iv) any contract or agreement (other than a Loan Document, Senior Loan Document, Term Loan Document or Fourth Lien Note Document) of any Loan Party involving monetary liability of or to Parent or its Subsidiaries in excess of $1,200,000 in any fiscal year of Parent and (v) each other contract or agreement, the loss of which could reasonably be expected to result in a Material Adverse Change.

"Maturity Date" means the earliest to occur of (a) the Stated Maturity Date, (b) the date of acceleration of the Obligations in accordance with the terms herein, and (c) the date that is 365 days prior to the scheduled date of termination of the West Hartford Lease, provided that if the West Hartford Lease is terminated in connection with a US Loan Party's purchase of the facility underlying the West Hartford Lease, this clause (c) shall be inapplicable.

"Moody's" has the meaning specified therefor in the definition of "Cash Equivalents".

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, deeds to secure debt, charges or debentures executed and delivered by Parent or its Subsidiaries in favor of Agent, in form and substance reasonably satisfactory to Agent, that encumber the Real Property Collateral.

"Multiemployer Plan" means any multiemployer plan within the meaning of Section 3(37) or 4001(a)(3) of ERISA with respect to which any Loan Party or ERISA Affiliate has an obligation to contribute or has any liability, contingent or otherwise or could be assessed withdrawal liability assuming a complete withdrawal from any such multiemployer plan.

"Net Cash Proceeds" means:

(a) with respect to any sale or disposition by Parent or any of its Subsidiaries of assets, the amount of cash proceeds received (directly or indirectly) from time to time (whether as initial consideration or through the payment of deferred consideration) by or on behalf of Parent or its Subsidiaries, in connection therewith after deducting therefrom only (i) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than (A) Indebtedness owing to Agent or any Lender under the Agreement or the other Loan Documents and (B) Indebtedness assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such sale or disposition, (ii) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such sale or disposition, (iii) taxes paid or payable to any taxing authorities (or tax distributions made to members or shareholders) by Parent or such Subsidiary in connection with such sale or disposition, in each case (other than with respect to tax distributions), to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction; and (iv) all amounts that are set aside as a reserve (A) for adjustments in respect of the purchase price of such assets, (B) for any liabilities associated with such sale or casualty, to the extent such reserve is required by GAAP, and (C) for the payment of unassumed liabilities relating to the assets sold or otherwise disposed of at the time of, or within 30 days after, the date of such sale or other disposition, to the extent that in each case the funds described above in this clause (iv) are (x) deposited into escrow with a third party escrow agent or set aside in a separate Deposit Account that is subject to a Control Agreement and (y) paid to Agent as a prepayment of the applicable Obligations in accordance with Section 2.2(e) of the Agreement at such time when such amounts are no longer required to be set aside as such a reserve; and

(b) with respect to the issuance or incurrence of any Indebtedness by Parent or any of its Subsidiaries, or the issuance by Parent or any of its Subsidiaries of any Equity Interests, the aggregate amount of cash received (directly or indirectly) from time to time (whether as initial consideration or through the payment or disposition of deferred consideration) by or on behalf of Parent or such Subsidiary in connection with such issuance or incurrence, after deducting therefrom only (i) reasonable fees, commissions, and expenses related thereto and required to be paid by Parent or such Subsidiary in connection with such issuance or incurrence, (ii) taxes paid or payable to any taxing authorities by Parent or such Subsidiary in connection with such issuance or incurrence, in each case to the extent, but only to the extent, that the amounts so deducted are, at the time of receipt of such cash, actually paid or payable to a Person that is not an Affiliate of Parent or any of its Subsidiaries, and are properly attributable to such transaction.

"New Colt" has the meaning specified therefor in the preamble to the Agreement.

"Note" means a promissory note of Borrowers payable to a Lender in substantially the form of Exhibit B-1 of the Agreement or such other form as is acceptable to the Agent and relevant Lender, evidencing indebtedness of Borrower to such Lender pursuant to the Loan.

"Notification Event" means (a) the occurrence of a "reportable event" described in Section 4043 of ERISA for which the 30-day notice requirement has not been waived by applicable regulations issued by the PBGC, (b) the withdrawal of any Loan Party or ERISA Affiliate from a Pension Plan during a plan year in which it was a "substantial employer" as defined in Section 4001(a)(2) of ERISA, (c) the termination of a Pension Plan, the filing of a notice of intent to terminate a Pension Plan or the treatment of a Pension Plan amendment as a termination, under Section 4041 of ERISA, if the plan assets are not sufficient to pay all plan liabilities, (d) the institution of proceedings to terminate, or the appointment of a trustee with respect to, any Pension Plan by the PBGC or any Pension Plan or Multiemployer Plan

administrator, (e) any other event or condition that would constitute grounds under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan, (f) the imposition of a Lien pursuant to the IRC or ERISA in connection with any Employee Benefit Plan, (g) the partial or complete withdrawal of any Loan Party or ERISA Affiliate from a Multiemployer Plan (other than any withdrawal that would not constitute an Event of Default under Section 8.16 of the Agreement), (h) any event or condition that results in the termination of a Multiemployer Plan under Section 4041A of ERISA or the institution by the PBGC of proceedings to terminate or to appoint a trustee to administer a Multiemployer Plan under ERISA, (i) any Pension Plan being in "at risk status" within the meaning of IRC Section 430(i), (j) any Multiemployer Plan being in "endangered status" or "critical status" within the meaning of IRC Section 432(b) or the determination that any Multiemployer Plan is or is expected to be insolvent or in reorganization within the meaning of Title IV of ERISA, (k) with respect to any Pension Plan, any Loan Party or ERISA Affiliate incurring a substantial cessation of operations within the meaning of ERISA Section 4062(e), (l) the failure of any Pension Plan to meet the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA), in each case, whether or not waived, (m) the filing of an application for a waiver of the minimum funding standards within the meaning of the IRC or ERISA (including Section 412 of the IRC or Section 302 of ERISA) with respect to any Pension Plan, (n) the failure to make by its due date a required payment or contribution with respect to any Pension Plan or Multiemployer Plan, or (o) any event that results in or could reasonably be expected to result in a liability by a Loan Party or ERISA Affiliate pursuant to Title IV of ERISA.

"Obligations" means all loans, debts, principal, interest (including any interest accruing at the Default Rate and any interest that accrues after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), all amounts charged to the Loan Account pursuant to the Agreement, premiums (including amounts due in connection with any Applicable Prepayment Premium), liabilities, obligations (including indemnification obligations), fees (including the fees provided in the Fee Letter or in Section 2.6), Lender Group Expenses (including any fees or expenses that accrue after the commencement of an Insolvency Proceeding, regardless of whether allowed or allowable in whole or in part as a claim in any such Insolvency Proceeding), guaranties, covenants, and duties of any kind and description owing by any Loan Party pursuant to or evidenced by the Agreement or any of the other Loan Documents and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all interest not paid when due and all other expenses or other amounts that Borrower is required to pay or reimburse by the Loan Documents or by law or otherwise in connection with the Loan Documents. Any reference in the Agreement or in the Loan Documents to the Obligations shall include all or any portion thereof and any extensions, modifications, renewals, or alterations thereof, both prior and subsequent to any Insolvency Proceeding.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Originating Lender" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Other Debt Documents" means the Senior Loan Documents, the Term Loan Documents and the Fourth Lien Note Documents, collectively.

"Other Taxes" has the meaning specified therefor in Section 16.1 of the Agreement.

"Parent" has the meaning specified therefor in the preamble to the Agreement.

"Participant" has the meaning specified therefor in Section 13.1(e) of the Agreement.

"Participant Register" has the meaning specified therefor in Section 13.1(i) of the Agreement.

"Patent Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"Patriot Act" has the meaning specified therefor in Section 4.18 of the Agreement.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor agency.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Section 412 or 430 of the IRC and which is sponsored, maintained, or contributed to by any Loan Party or ERISA Affiliate or with respect to which any Loan Party or ERISA Affiliate has any liability, contingent or otherwise.

"Perfection Certificate" means the Perfection Certificate delivered to Agent and the Lenders on the Closing Date, as such certificate may be updated pursuant to Section 6(k) of the US Security Agreement, which certificate provides information with respect to the assets of each Loan Party.

"Permit" means, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other contractual obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of Equipment that is substantially worn, damaged, or obsolete in the ordinary course of business, consistent with past practice;

(b) sales of Inventory to buyers in the ordinary course of business and the consignment of Inventory to the Government of the United Mexican States in the ordinary course of business pursuant to a written agreement (the "DCAM Consignment"); provided, that, the maximum value of Inventory consigned to the Government of the United Mexican States at any one time shall not exceed $2,400,000;

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of the Agreement or the other Loan Documents;

(d) the granting of IP Licenses subject to and in accordance with Section 6.3(c) of the Agreement and the amendment or renewal permitted for Existing IP Licenses;

(e) the non-exclusive licensing or sublicensing of any other general intangibles (other than Intellectual Property or the licenses in effect on the Closing Date as set forth on Schedule L-1) and licenses, leases or subleases of other property, in each case, in the ordinary course of business consistent with past practice and so long as any such transaction shall not materially interfere with the business of Parent and its Subsidiaries;

(f) the granting of Permitted Liens;

(g) the sale or discount, in each case without recourse, of Accounts arising in the ordinary course of business consistent with past practice, but only in connection with the compromise or collection thereof;

(h) any involuntary loss, damage or destruction of property;

(i) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(j) the leasing or subleasing of assets of Parent or its Subsidiaries (other than Accounts and Inventory or Intellectual Property in the ordinary course of business consistent with past practice;

(k) the sale or issuance of Equity Interests by any Subsidiary of Parent to a Loan Party;

(l) [intentionally omitted];

(m) the making of a Restricted Payment that is expressly permitted to be made pursuant to Section 6.10 of the Agreement;

(n) the making of a Permitted Investment;

(o) the sale or other disposition of property by a Loan Party to another Loan Party in the United States or Canada; and

(p) sales or other dispositions of assets of Parent and its Subsidiaries not otherwise subject to the provisions set forth in this definition, provided that as to any such sale or other disposition, each of the following conditions is satisfied:

(i) such transaction does not involve the sale or other disposition of any Intellectual Property, Equity Interest in any Subsidiary or Accounts or Inventory; and

(ii) the aggregate amount of such dispositions does not exceed $600,000 from the Closing Date.

"Permitted Holder" means the Persons listed on Schedule P-3 to the Agreement.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Agreement or the other Loan Documents (including, for the avoidance of doubt, the Additional Permitted Holder Amount, if applicable);

(b) Indebtedness set forth on Schedule 4.19 and, in the case of letters of credit listed on such Schedule, extensions of maturity or replacements of such Indebtedness in the same principal amount;

(c) Permitted Purchase Money Indebtedness; provided that the aggregate amount of all such Indebtedness does not exceed $1,200,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders;

(d) endorsement of instruments or other payment items for deposit;

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of Parent or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty would have been permitted to incur such underlying Indebtedness; provided that the aggregate amount of all such Indebtedness under provisos (i), (ii) and (iii) of this clause (e) does not exceed $120,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders;

(f) Indebtedness incurred in the ordinary course of business under performance, surety, statutory and appeal bonds;

(g) [Reserved];

(h) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services, in each case, incurred in the ordinary course of business;

(i) Indebtedness of Parent or its Subsidiaries arising pursuant to Permitted Intercompany Advances;

(j) Indebtedness consisting of Permitted Investments;

(k) Indebtedness evidenced by the Term Loan Documents in an aggregate outstanding principal amount not to exceed the Term Loan Debt Amount;

(l) Indebtedness evidenced by the Senior Loan Documents in an aggregate outstanding principal amount not to exceed the Senior Loan Debt Amount;

(m) Indebtedness evidenced by the Fourth Lien Note Documents in an aggregate outstanding principal amount not to exceed the Fourth Lien Debt Amount;

(n) Indebtedness with respect to letters of credit issued by, or a letter of credit facility with, a letter of credit issuer reasonably acceptable to Required Lenders, in an aggregate face amount not to exceed $6,000,000;

(o) Indebtedness incurred by Parent or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid surety and similar bonds and completion guarantees (not for borrowed money), in each case in the ordinary course of business;

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that such Indebtedness is extinguished with ten Business Days of incurrence;

(q) Indebtedness of Parent or any Subsidiary consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business;

(r) other unsecured Indebtedness in an aggregate principal amount not to exceed $25,000,000 at any time outstanding; provided that (i) such Indebtedness is subject to a subordination agreement in form and substance acceptable to the Agent and the Required Lenders, (ii) the terms of such Indebtedness do not require Parent or any Subsidiary to make cash payments prior to the date that is 91 days after the Maturity Date and (iii) such Indebtedness has a maturity date that is at least 91 days after than the Maturity Date; and

(s) in the event that a US Loan Party shall have purchased the facility underlying the West Hartford Lease, Indebtedness secured by, (i) third party mortgages securing Indebtedness not to exceed a [$_____] at any time outstanding, (ii) a mortgage securing the Obligations, (iii) a mortgage securing the Term Loan Debt, (iv) a mortgage securing the Senior Loan Debt, and (v) a mortgage securing the Fourth Lien Debt, all of which shall be on terms in form and substance acceptable to the Agent and the Required Lenders.

"Permitted Intercompany Advances" means loans (a) made by a Loan Party that is not a Specified Loan Party to another Loan Party that is not a Specified Loan Party and (b) made by a Loan Party that is not a Specified Loan Party to a Specified Loan Party; provided, that, (i) in the case of clauses (a) and (b), Agent shall have received an Intercompany Subordination Agreement as duly authorized, executed and delivered by the parties to any such loans and (ii) in the case of clause (b) only, the aggregate amount of all such loans does not exceed $600,000 at any time outstanding unless otherwise agreed to in writing by the Agent at the direction of the Required Lenders.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents of any Loan Party or other Investments by a Loan Party or a non-Loan Party in any Loan Party;

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(c) advances made in connection with purchases of goods or services in the ordinary course of business;

(d) Investments received in settlement of amounts due to any Loan Party or any of its Subsidiaries effected in the ordinary course of business or owing to any Loan Party or any of its Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of any Loan Party or any of its Subsidiaries;

(e) guarantees permitted under the definition of "Permitted Indebtedness";

(f) Permitted Intercompany Advances;

(g) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to any Loan Party or any of its Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business consistent with past practice) or as security for any such Indebtedness or claims;

(h) deposits of cash made in the ordinary course of business to secure performance of operating leases;

(i) the endorsement of instruments for collection or deposit in the ordinary course of business;

(j) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business;

(k) receivables owing to Parent or any of its Subsidiaries if created or acquired in the ordinary course of business consistent with current practices as of the date hereof;

(l) loans and advances by Parent and its Subsidiaries to independent directors, officers and employees of Parent and its Subsidiaries in the ordinary course of business for bona fide business purposes not in excess of $300,000 at any time outstanding;

(m) stock or obligations issued to Parent and its Subsidiaries by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to Parent and its Subsidiaries in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person; provided that, subject to the Intercreditor Agreement, the original of any such stock or instrument evidencing such obligations shall be promptly delivered to Agent, upon the Required Lenders' request, together with such stock power, assignment or endorsement by Parent and its Subsidiaries as the Required Lenders may request;

(n) Investments constituting Restricted Payments permitted by Section 6.10 of the Agreement;

(o) Investments made as a result of the receipt of non-cash consideration from a Permitted Disposition;

(p) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by Parent and its Subsidiaries in connection with such plans;

(q) solely to the extent constituting Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case in the ordinary course of business; and

(r) (i) other Investments in an aggregate outstanding amount not to exceed $600,000 at any time and (ii) other Investments made solely with the proceeds of any Excluded Issuances (as described in clause (c)(i) of the definition thereof); provided that, as of the date of such Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

"Permitted Liens" means:

(a) Liens granted to, or for the benefit of, Agent to secure the Obligations;

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) for which the underlying Taxes are the subject of Permitted Protests;

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 8.3 of the Agreement;

(d) Liens set forth on Schedule P-2; provided, however, that to qualify as a Permitted Lien, any such Lien described on Schedule P-2 shall only secure the Indebtedness that it secures on the Closing Date or in the case of Liens on cash deposits securing letters of credit issued and outstanding on the Closing Date ("Closing Date LCs"), Liens on cash deposits of an equivalent amount securing replacements or extensions of such letters of credit; provided that the cash deposits securing the Closing Date LCs have been returned to the applicable Loan Party (or arrangements for the substantially concurrent return of such cash deposits to the applicable Loan Party have been made);

(e) any interest or title of a lessor, sublessor or licensor in or to any asset (other than Accounts or Inventory) under any lease, sublease or license entered into by Parent or its Subsidiaries in the ordinary course of business consistent with past practice and covering only such asset;

(f) purchase money Liens or the interests of lessors under Capital Leases, in each case, as to assets or property, other than Accounts or Inventory, to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset or property purchased or acquired (substantially contemporaneous with such purchase or acquisition) and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset or property purchased or acquired;

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business consistent with past practice and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests;

(h) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance, consistent with past practice;

(i) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business consistent with past practice and not in connection with the borrowing of money;

(j) Liens on cash deposited to secure Parent's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business consistent with past practice;

(k) with respect to any Real Property, encumbrances, ground leases, easements or reservations of, or rights of others (including any reservations, limitations, provisos and conditions expressed in any original grant from the Crown with respect of any Real Property owned by Colt Canada) for, licensees, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) in each case as to the use of Real Property or Liens on Real Property incidental to the conduct of the business of Parent or its Subsidiaries or to the ownership of its Real Property that (in each case) do not individually or in the aggregate materially adversely affect the value of any such Real Property or materially impair, or interfere with, the use or operation of such Real Property;

(l) licenses of Intellectual Property to the extent constituting a Permitted Disposition under clause (d) of the definition thereof;

(m) rights of setoff or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business consistent with past practice;

(n) Liens in favor of customs, revenue or other tax authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(o) Liens on cash deposits to secure Indebtedness permitted by clause (n) of the definition of "Permitted Indebtedness";

(p) Liens arising from precautionary Code financing statement filings regarding operating leases entered into by Parent and its Subsidiaries in the ordinary course of business consistent with past practice;

(q) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business, including Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions;

(r) in the event that a US Loan Party shall have purchased the facility underlying the West Hartford Lease, (i) third party mortgages securing Indebtedness not to exceed $[ ] at any time outstanding, (ii) a mortgage securing the Obligations, (iii) a mortgage securing the Term Loan Debt, (iv) a mortgage securing the Senior Loan Debt and (v) a mortgage securing the Fourth Lien Debt, all of which shall be on terms in form and substance reasonably acceptable to the Agent and the Lenders;

(s) with respect to any Real Property, minor survey exceptions, minor encumbrances, ground leases, easements or reservations or, or rights of others for, licenses, rights-of-way servitudes, sewers, restrictive consents, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) which (in each case) were not incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of such Real Property or materially impair, interfere with, the use or operation of such Real Property;

(t) leases, subleases, licenses or sublicenses to the extent permitted by clause (d) of the definition of "Permitted Dispositions";

(u) Liens of Term Loan Agent to secure the Indebtedness permitted under clause (k) of the definition of "Permitted Indebtedness";

(v) Liens of Senior Loan Agent to secure the Indebtedness permitted under clause (l) of the definition of "Permitted Indebtedness"; and

(w) Liens of Fourth Lien Trustee to secure the Indebtedness permitted under clause (m) of the definition of "Permitted Indebtedness"; provided that such Liens shall at all times be subject to the terms of the Intercreditor Agreement.

Notwithstanding anything to the contrary contained in any of the Loan Documents, Permitted Liens shall not include any Liens on assets of any Loan Party which secure any Indebtedness or other obligations of any Foreign Subsidiary, except (x) as permitted by clause (a) of the definition of Permitted Liens and liens arising in respect of Indebtedness permitted under clauses (k), (l) and (m) of the definition

of "Permitted Indebtedness," (y) as consented to in writing by the Required Lenders or (z) Liens on assets of Canadian Loan Parties may secure Indebtedness and other obligations of Canadian Loan Parties to the extent permitted by Section 6.1 or 6.2 of the Agreement.

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Obligations), Taxes, or rental payment; provided that (a) a reserve or provision with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP and (b) such Lien or other obligations are being contested in good faith by appropriate proceedings diligently conducted and such proceedings operate to stay the enforcement of such Lien or any Lien securing any such obligations.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Purchase Money Indebtedness incurred after the Closing Date in an aggregate principal amount outstanding at any one time not in excess of $1,200,000.

"Person" means natural persons, corporations, companies, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, Governmental Authorities or otherwise.

"Petition Date" means June 14, 2015.

"Plan Consummation" has the meaning specified therefor in the recitals to the Agreement.

"PPSA" means the Personal Property Security Act (Ontario), the Civil Code of Québec or any other applicable Canadian Federal, Provincial or Territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Prepetition Term Loan Agreement" means that certain Term Loan Agreement, dated as of November 17, 2014, entered into by Colt US, Colt Finance, New Colt, Colt's Manufacturing, Colt Canada, CDTS, Colt Netherlands, the prepetition term agent and the prepetition term lenders, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the prepetition intercreditor agreement.

"Pro Rata Share" means, as of any date of determination, with respect to all matters as to a particular Lender (including the indemnification obligations arising under Section 15.7 of the Agreement), the percentage obtained by dividing (y) the outstanding principal amount of such Lender's Loan, by (z) the outstanding principal amount of the entire Loan.

"Prohibited IP Licenses" has the meaning specified therefor in Section 6.3(c).

"Projections" means Parent's forecasted (a) balance sheets, (b) profit and loss statements, and (c) cash flow statements, all prepared on a basis consistent with Parent's historical financial statements, together with appropriate supporting details and a statement of underlying assumptions.

"Purchase Money Indebtedness" means Indebtedness (other than the Obligations, but including Capitalized Lease Obligations), incurred at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof.

"Qualified Equity Interests" means Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that are not Disqualified Equity Interests. For the avoidance of doubt, for purposes of the exercise of the Cure Right under Section 8 of the Agreement and not for any other purpose, Class A, Class B, and preferred equity (other than preferred equity that (a) is convertible into debt, (b) provides for mandatory cash pay dividends or distributions or (c) provides for any mandatory redemption in cash of such Equity Interest prior to the satisfaction in full in cash of each of the Obligations under the Agreement and the Other Debt Documents) issued pursuant to the Second Amended and Restated Limited Liability Company Agreement of Parent as in effect on the Closing Date shall constitute Qualified Equity Interests and shall be permitted to be issued hereunder.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or its Subsidiaries and the improvements thereto.

"Real Property Collateral" means the Real Property identified on Schedule R-1 and any Real Property hereafter acquired by Parent or its Subsidiaries which is subject to a Lien in favor of Agent.

"Receiver" means a receiver, interim receiver, manager, receiver and manager, liquidator, trustee in bankruptcy or similar Person.

"Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Register" has the meaning specified therefor in Section 13.1(h) of the Agreement.

"Registered Loan" has the meaning specified therefor in Section 13.1(h) of the Agreement.

"Regulation" has the meaning specified therefor in Section 4.31 of the Agreement.

"Reinvestment Event" means any event resulting in a prepayment requirement under Section 2.2(e)(i) of this Agreement in respect of which the Borrowers have delivered a Reinvestment Notice in accordance with the terms of this Agreement.

"Reinvestment Notice" means a written notice delivered to the Agent executed by a Responsible Officer stating that no Default or Event of Default has occurred and is continuing and that the Borrowers (directly or indirectly through a Guarantor) intend and expect to use all or a specified portion of the Net Cash Proceeds of such Reinvestment Event for a purpose permitted pursuant to Section 2.2(e)(i).

"Reinvestment Prepayment Date" means with respect to any Reinvestment Event, the earlier of (a) the date occurring sixty (60) days after such Reinvestment Event or any Loan Party shall have entered into a binding commitment to reinvest such proceeds within sixty (60) days such date may be extended by an additional sixty (60) days and (b) the date on which the Borrowers (or their Subsidiaries) shall have determined not to, or shall have otherwise ceased to apply the applicable proceeds for a purpose permitted pursuant to Section 2.2(e)(i) of this Agreement.

"Reinvestment Proceeds Account" has the meaning specified therefor in Section 2.2(e)(i) of the Agreement.

"Related Fund" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Remedial Action" means all actions taken to (a) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, or in any way address Hazardous Materials in the indoor or outdoor environment, (b) prevent or minimize a Release or threatened Release of Hazardous Materials so they do not migrate or endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (c) restore or reclaim natural resources or the environment, (d) perform any pre-remedial studies, investigations, or post-remedial operation and maintenance activities, or (e) conduct any other actions with respect to Hazardous Materials or violations of Environmental Law, in each case pursuant to Environmental Laws or Governmental Authority.

"Replacement Lender" has the meaning specified therefor in Section 2.7(b) of the Agreement.

"Report" has the meaning specified therefor in Section 15.16(a) of the Agreement.

"Required Lenders" means, at any time, Lenders whose aggregate Pro Rata Shares exceed 50.0%.

"Required Prepayment Date" has the meaning specified therefor in Section 2.2(e)(vi) of the Agreement.

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, provincial, territorial, local, foreign, multinational or international laws, statutes, codes, treaties, standards, rules and regulations, guidelines, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities) and the interpretation or administration thereof by, and other determinations, directives, requirements or requests of, any Governmental Authority, in each case whether or not having the force of law and that are applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" means any chief executive officer, president, senior vice president, executive vice president, chief operating officer, chief financial officer, chief accounting officer, general counsel, treasurer or other similar officer of any Borrower.

"Restricted Payment" means to the declaration or payment of any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to Parent or such Subsidiary's stockholders, partners or members (or the equivalent Person thereof), or payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of Parent or any of its Subsidiaries, or any setting apart of funds or property for any of the foregoing.

"Sanctioned Entity" means (a) a region, country or a government of a region or country, (b) an agency of the government of a country, (c) an organization directly or indirectly controlled by a country or its government, (d) a Person resident in or determined to be resident in a region or country, in each case, that is subject to a comprehensive sanctions program administered and enforced by OFAC.

"Sanctioned Person" means a person named on the list of Specially Designated Nationals or other similar list maintained by OFAC.

"S&P" has the meaning specified therefor in the definition of "Cash Equivalents".

"Secured Parties" means the Agent, the Lenders and any other Person from time to time holding any Obligations.

"Securities Account" means a securities account (as that term is defined in the Code).

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Security Documents" means the Canadian Guarantee, the Canadian Security Documents, the Dutch Security Documents, the other Foreign Security Documents, the US Security Agreement, and other US Security Documents, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be required by the Required Lenders and/or are entered into in connection with the Agreement, including any other document purporting to grant a security interest.

"Sell" means, with respect to any property, to sell, convey, transfer, assign, license, lease or otherwise dispose of, any interest therein or to permit any Person to acquire any such interest, including, in each case, through a sale and leaseback transaction or through a sale, factoring at maturity, collection of or other disposal, with or without recourse, of any notes or accounts receivable. Conjugated forms thereof and the noun "Sale" have correlative meanings.

"Semiannual Payment Date" means the last Business Day of each [__] and [__] occurring after the Closing Date, commencing on [__], 2016.

"Senior Loan Agent" means Cantor Fitzgerald Securities, and its successors and assigns, including any successor or replacement agent under the Senior Loan Agreement.

"Senior Loan Agreement" means that Senior Secured Credit Agreement, dated as the date hereof, entered into by, among others, the Loan Parties and Senior Loan Agent, as amended, supplemented, modified, restated, renewed, refinanced or replaced, except to the extent prohibited by the terms of the Agreement or the Intercreditor Agreement.

"Senior Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to the Senior Loan Agent and Senior Loan Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Senior Loan Documents.

"Senior Loan Debt Amount" means $[__], plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Senior Loan Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith.

"Senior Loan Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced,

except to the extent prohibited by the Agreement or the Intercreditor Agreement): (a) the Senior Loan Agreement; (b) each other "Loan Document" (as defined in the Senior Loan Agreement) and (c) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Senior Loan Agent or any Senior Loan Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Senior Loan Document".

"Senior Loan Lenders" means the lenders under the Senior Loan Agreement and their respective successors and assigns.

"Solvent" means, at any time with respect to any Person, that at such time such Person is able to pay its debts as they become due in the ordinary course.

"Specified Canadian Pension Plan" means any Canadian Pension Plan which contains a "defined benefit provision," as defined in subsection 147.1(1) of the Income Tax Act (Canada).

"Specified Government Property" means any and all property loaned, leased or otherwise provided to a Loan Party pursuant to or in connection with a Specified Government Property Loan Agreement.

"Specified Government Property Loan Agreement" means, individually and collectively, (a) the Loan Agreement, executed on or about May 27, 2009, between Colt Canada and Department of National Defence (Canada), and (b) any other agreement between any Loan Party and the national government of Canada or any of its agencies or instrumentalities pursuant to which the national government of Canada or any of its agencies or instrumentalities lends, leases or otherwise provides goods to a Loan Party to be used by a Loan Party for purposes of performing work pursuant to a supply or similar agreement between a Loan Party and the national government of Canada or any of its agencies or instrumentalities.

"Specified Loan Party" means any Loan Party (a) that is not formed, organized and/or incorporated under the laws of the United States of America, any state thereof, the District of Columbia, Canada (or any province or territory thereof) or the Netherlands and (b) for which Agent has provided notice to Administrative Borrower that such Loan Party is a Specified Loan Party.

"Specified Transaction" means (i) any Investment permitted under the Agreement that results in a Person becoming a Subsidiary, (ii) any sale, disposition or transfer that results in a Subsidiary ceasing to be a Subsidiary of Parent or any, in each case, whether by merger, consolidation, amalgamation or otherwise, (iii) any incurrence or repayment of Indebtedness (other than Indebtedness incurred or repaid under any revolving credit facility or line of credit, unless such Indebtedness has been permanently repaid and has not been replaced), or (iv) any other transaction that by the terms of the Agreement requires any financial ratio (or component definition) to be calculated on a pro forma basis.

"Stated Maturity Date" means [ ][1].

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity. Unless otherwise specified, all references herein to a "Subsidiary" or "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Loan Parties.

[1] Note to draft: To be the date that is 5 years from the Closing Date.

"Tax Lender" has the meaning specified therefor in Section 14.2(a) of the Agreement.

"Taxes" means any taxes, levies, imposts, duties, assessments or other similar charges now or hereafter imposed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"TDP" means data that is used in the production of firearms or accessories for firearms, including, but not limited to, engineering drawings, three dimensional CAD models, associated lists, material specifications, product specifications, tooling and gauging, including associated drawings and models, assembly instructions, fixtures, including associated drawings, engineering change information, previous revision information, process specifications and standards, as may be revised from time to time.

"Term Loan Agent" means Wilmington Savings Fund Society, FSB and its successors and assigns, including any successor or replacement agent under the Term Loan Agreement.

"Term Loan Agreement" means the Term Loan Agreement, dated as of the date hereof, by and among Term Loan Agent, Term Loan Lenders, Parent and certain of its affiliates, as may hereafter be further amended, modified, supplemented, extended, renewed, restated, refinanced or replaced except to the extent prohibited by the terms of the Agreement or the Intercreditor Agreement.

"Term Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by Borrowers and Guarantors to Term Loan Agent and Term Loan Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Term Loan Documents.

"Term Loan Debt Amount" means $[__], plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Term Loan Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith.

"Term Loan Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, except to the extent prohibited by the Agreement or the Intercreditor Agreement): (a) the Term Loan Agreement; (b) each other "Loan Document" (as defined in the Term Loan Agreement) and (c) all other agreements, documents and instruments at any time executed and/or delivered by any Borrower or Guarantor with, to or in favor of Term Loan Agent or any Term Loan Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Term Loan Document".

"Term Loan Lenders" means the lenders under the Term Loan Agreement and their respective successors and assigns.

"Trademark Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"UCC Filing Authorization Letter" means a letter duly executed by each Loan Party authorizing Agent to file appropriate financing statements on Form UCC-1 in such office or offices as may be necessary or, in the opinion of Agent or the Required Lenders, desirable to perfect the security interests purported to be created by each US Security Document.

"Underlying Debt" has the meaning specified therefor in Section 15.20.

"United States" means the United States of America.

"Unrestricted Cash" means cash or Cash Equivalents of any Loan Party organized under the laws United States or Canada that are not subject to any express contractual restrictions on the application thereof (it being expressly understood and agreed that, for the avoidance of doubt, affirmative and negative covenants and events of default that do not expressly restrict the application of such cash or Cash Equivalents shall not constitute express contractual restrictions for purposes of this definition) and not subject to any Lien (other than Liens created by the Loan Documents, non-consensual Liens permitted by Section 6.2 and (whether or not consensual) Liens permitted by clauses (u), (v) and (w) of the definition of Permitted Liens); provided; however; that for the purposes of this definition the cash or Cash Equivalents of any Loan Party organized under the laws of Canada shall be net of out of pocket costs or fees and applicable taxes, necessary to repatriate such cash determined by Parent in good faith.

"US Dollar Equivalent" means at any time (a) as to any amount denominated in US Dollars, the amount thereof at such time, and (b) as to any amount denominated in any other currency, the equivalent amount in US Dollars calculated by Agent in good faith at such time using the exchange rate in effect on the Business Day of determination.

"US Dollars," "Dollars," "US$" and "$" shall each mean lawful currency of the United States of America.

"US Loan Parties" means, collectively, each Loan Party organized under the laws of the United States; each sometimes being referred to individually as a "US Loan Party."

"US Security Agreement" means a security agreement, dated as of even date with the Agreement, in form and substance reasonably satisfactory to Agent, executed and delivered by the US Loan Parties to Agent.

"US Security Documents" means the US Security Agreement, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and each other document identified as a US Security Document on Schedule S (as such Schedule may be amended or supplemented by Agent (at the written direction of the Required Lenders) to add additional US Security Documents in connection with in connection with the Loan Documents), and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be required by the Required Lenders.

"Voidable Transfer" has the meaning specified therefor in Section 17.8 of the Agreement.

"Waivable Mandatory Prepayment" has the meaning specified therefor in Section 2.2(e)(vi) of the Agreement.

"West Hartford Lease" means the lease agreement dated [ ] with respect to [ ][2], being the Parent's primary location in West Hartford, Connecticut, among [ ] and [ ], as it may be amended with the consent of the Required Lenders.

"Winding-Up Act" means the Winding-Up and Restructuring Act (Canada), R.S.C., C.W.-11, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented together with all official rules, regulations and interpretations thereunder or related thereto.

[2] NTD: Insert exact address.

Exhibit D

Fourth Lien Note

[A form of the Fourth Lien Note is appended as Exhibit A to the Fourth Lien Note Indenture, which is attached as Exhibit E to this Notice.]

Exhibit E

Fourth Lien Note Indenture

COLT DEFENSE LLC

THE GUARANTORS

PARTIES HERETO

8.00% Fourth Priority Secured Notes Due 2021

INDENTURE

DATED AS OF DECEMBER [__], 2015

WILMINGTON TRUST, NATIONAL ASSOCIATION,

AS TRUSTEE

AND

WILMINGTON TRUST, NATIONAL ASSOCIATION,

AS COLLATERAL AGENT

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EXHIBITS

INDENTURE dated as of December [__], 2015, among Colt Defense LLC, a Delaware limited liability company (the "Company"), the Guarantors party hereto, Wilmington Trust, National Association, as trustee (in such capacity, the "Trustee"), and Wilmington Trust, National Association, as collateral agent (in such capacity, the "Collateral Agent").

Pursuant to a Plan of Reorganization confirmed by the U.S. Bankruptcy Court for the District of Delaware (Case No. 15-11296 (LSS)) on December [ ], 2015 (the "Plan of Reorganization"), the Company and the Guarantors (as defined below) have executed and delivered this Indenture to provide for the issuance from time to time of its 8.00% Fourth Priority Secured Notes Due 2021 to be issued as provided in this Indenture. All things necessary to make this Indenture a valid agreement of the Company and each of the Guarantors, in accordance with its terms, have been done.

The Company, the Guarantors, the Trustee and the Collateral Agent agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders (as defined below) of the Company's 8.00% Fourth Priority Secured Notes Due 2021:

ARTICLE ONE

DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01 Definitions.

"Account" means an account as that term is defined in the Uniform Commercial Code.

"Account Debtor" means any Person who is obligated on an Account, chattel paper, or a general intangible.

"Affiliate" means, as applied to any Person, any other Person who controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" means the possession, directly or indirectly through one or more intermediaries, of the power to direct the management and policies of a Person, whether through the ownership of Equity Interests of such Person, by contract, or otherwise; provided, however, that, for purposes of Section 4.05(j) of this Indenture: (a) any Person which owns directly or indirectly 10% or more of the Equity Interests of such Person having ordinary voting power for the election of directors or other members of the governing body of a Person or 10% or more of the partnership or other ownership interests of a Person (other than as a limited partner of such Person) shall be deemed an Affiliate of such Person, (b) each current and former (within the five-year period prior to the Issue Date) officer and/or director (or comparable manager) of the Company, any Guarantor or Permitted Holder (to the extent such Permitted Holder, at such time, owns Equity Interests of the Company or any Guarantor or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of the Company or a Guarantor) shall be deemed to be an Affiliate of the Company, any such Guarantor or Permitted Holder, as applicable, (c) each partnership in which a Person is a general partner shall be deemed an Affiliate of such Person and (d) any Person that is a current or former (within the five-year period prior to the Issue Date) partner, member or principal (or any employee acting in any such capacity) of the Company or

any Guarantor or a consultant (other than any consultants, financial advisors and/or other third party service providers of nationally recognized standing) of a Permitted Holder (to the extent such Permitted Holder, at such time, owns Equity Interests of the Company or any Guarantor or controls, or is controlled by, or is under common control with, a Person who owns Equity Interests of the Company or a Guarantor) shall be deemed to be an Affiliate of any of the Company and the Guarantors.

"Agent" means any Registrar or Paying Agent.

"Bankruptcy Code" means title 11 of the United States Code, as in effect from time to time.

"Bankruptcy Law" means the Bankruptcy Code or any similar federal or state law for the relief of debtors.

"BIA" means the Bankruptcy and Insolvency Act (Canada), R.S.C. 1985, c. B-3, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"Board of Directors" means, as to any Person, the board of directors (or equivalent governing body in the case of any Person that is not a corporation) of such Person or any committee thereof duly authorized to act on behalf of the board of directors (or comparable managers).

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date of such certification.

"Business Day" means any day that is not a Saturday, Sunday, or other day on which banks are authorized or required to close in the state of New York, the place of payment or the Province of Ontario, except that, the term "Business Day" also shall exclude any day on which banks are closed for dealings in Dollar deposits in the London interbank market.

"Canada IP Holdco" means Colt Canada IP Holding Company, Canada, a Nova Scotia unlimited company

"Canadian Collateral" means Collateral consisting of assets or interests in assets of Canadian Guarantors, and the proceeds thereof.

"Canadian Court" means the Ontario Superior Court of Justice (Commercial List).

"Canadian Guarantee" means each guarantee by a Canadian Guarantor pursuant to this Indenture.

"Canadian Guarantor" and "Canadian Guarantors" means, individually and collectively, Colt Canada and any other Guarantor organized under the laws of Canada or any province or territory thereof.

"Canadian Mortgage" means any Mortgage taken in respect of real property located in Canada.

"Canadian Security Agreement" means the security agreement, dated as of the date hereof, in substantially the same form as the Canadian security agreement delivered to the Third Lien Agent in connection with the Third Lien Credit Agreement (with customary changes thereto reflecting the junior status of the Liens securing the Notes), executed and delivered by Canadian Guarantors to the Collateral Agent.

"Canadian Security Documents" means (a) the Canadian Security Agreement, the Canadian Guarantee, each Canadian Mortgage, each Deed of Hypothec and (b) any other Fourth Lien Note Document that grants, or purports to grant, a Lien on any Canadian Collateral.

"Capital Expenditures" means, with respect to any Person for any period, the aggregate of all expenditures by such Person and its Subsidiaries during such period that are capital expenditures as determined in accordance with GAAP, whether such expenditures are paid in cash or financed.

"Capital Lease" means a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

"Cash Equivalents" means: (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within 1 year from the date of acquisition thereof, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof maturing within 1 year from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either Standard & Poor's Rating Group ("S&P") or Moody's Investors Service, Inc. ("Moody's"), (c) commercial paper maturing no more than 270 days from the date of creation thereof and, at the time of acquisition, having a rating of at least A-1 from S&P or at least P-1 from Moody's, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances maturing within 1 year from the date of acquisition thereof issued by any bank organized under the laws of the United States or any state thereof or the District of Columbia or any United States branch of a foreign bank having at the date of acquisition thereof combined capital and surplus of not less than $250,000,000, (e) deposit accounts or other bank accounts maintained with (i) any bank that satisfies the criteria described in clause (d) above, or (ii) any other bank organized under the laws of the United States or any state thereof so long as the full amount maintained with any such other bank is insured by the Federal Deposit Insurance Corporation, (f) repurchase obligations of any commercial bank satisfying the requirements of clause (d) of this definition or recognized securities dealer having combined capital and surplus of not less than $250,000,000, having a term of not more than seven days, with respect to securities satisfying the criteria in clauses (a) or (d) above, (g) debt securities with maturities of six months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the criteria described in clause (d) above, and (h) Investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above; provided, that, in the case of any Foreign Subsidiary, "Cash Equivalents" of such Foreign

Subsidiary shall also include direct obligations of the sovereign country (or any agency thereof which is backed by the full faith and credit of such sovereign country) in which such Foreign Subsidiary is organized and is conducting business or in obligations fully and unconditionally guaranteed by such foreign country (or any agency thereof); provided, further, in the case of any Foreign Subsidiary that is not a Guarantor, "Cash Equivalents" of such Foreign Subsidiary shall also include securities and other investments held by such Foreign Subsidiary in the ordinary course of business which are substantially similar to the assets described in clauses (a) through (g) above.

"Cash Management Services" means any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements.

"CCAA" means the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented, together with all official rules, regulations and interpretations thereunder or related thereto.

"CDH II" means CDH II Holdco, Inc., a Delaware corporation.

"CDTS" means Colt Defense Technical Services, LLC, a Delaware limited liability company.

"Change of Control" means:

(a) prior to the first public offering of common stock of Parent, the Permitted Holders cease to be the "beneficial owner" (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act), directly or indirectly, of a majority in the aggregate of the total voting and economic power of the Equity Interests of Parent then outstanding, whether as a result of the issuance of securities of Parent, any merger, consolidation, winding up, liquidation or dissolution of Parent, any direct or indirect transfer of securities by any Permitted Holder or otherwise (for purposes of this clause (a) and clause (b) below, the Permitted Holders shall be deemed to beneficially own any the Equity Interests of an entity (the "specified entity") held by any other entity (the "parent entity") so long as (x) the Permitted Holders beneficially own (as so defined), directly or indirectly, in the aggregate a majority of the Equity Interests of the parent entity and (y) no "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), beneficially owns, directly or indirectly, a larger percentage of Equity Interests of the parent entity than the Permitted Holders);

(b) on the date of or after the first public offering of common stock of Parent, any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, becomes the beneficial owner (as defined in Rules 13 d-3 and 13 d-5 under the Exchange Act, except

that such person or group shall be deemed to have "beneficial ownership" of all shares that any such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting or economic power of Equity Interests of Parent or any of its direct or indirect parent entities (or their successors by merger, consolidation or purchase of all or substantially all of their assets);

(c) the Continuing Directors shall cease for any reason to constitute a majority of the Board of Directors of Parent then in office; or

(d) except as otherwise expressly permitted herein, Parent shall cease to be the direct or indirect holder and owner of one hundred (100%) percent of the Equity Interests of the Company or any of the Guarantors (other than the Parent).

"Code" means the Internal Revenue Code of 1986, as amended.

"Collateral" means all assets and interests in assets and proceeds thereof now owned or hereafter acquired by Parent or its Subsidiaries and all assets upon which a Lien is granted or purported to be granted by the Company or any Guarantor in favor of the Collateral Agent, the Trustee or the Holders under any of the Security Documents.

"Collateral Agent" means Wilmington Trust, National Association, in its capacity as collateral agent hereunder and under the Security Documents, any successor thereto in such capacity and any other Person appointed as collateral agent pursuant to the terms of the Security Documents.

"Colt Canada" means Colt Canada Corporation, a Nova Scotia unlimited company.

"Colt Finance" means Colt Finance Corp., a Delaware corporation.

"Colt Netherlands" means COLT INTERNATIONAL COÖPERATIEF U.A., a cooperative organized under the laws of the Netherlands registered with the trade register of the Chamber of Commerce in the Netherlands under number 56651317.

"Colt Security" means Colt Security LLC, a Delaware limited liability company.

"Colt's Manufacturing" means Colt's Manufacturing Company LLC, a Delaware limited liability company.

"Commission" means the United States Securities and Exchange Commission.

"Compliance Certificate" means a certificate delivered by the Company and the Guarantors pursuant to Section 4.03 of this Indenture.

"Confirmation Order" means the confirmation order dated December [16], 2015 of the second amended joint plan of reorganization of the Company and certain Affiliates under the Bankruptcy Code, as such confirmation order is subsequently recognized by the Canadian Court.

"Continuing Directors" means (a) any member of the Board of Directors of Parent who was a director (or comparable manager) on the Issue Date, after giving effect to the execution and delivery of this Indenture and the other transactions contemplated hereby to occur on such date, and (b) any individual who becomes a member of the Board of Directors of Parent after the Issue Date if such individual was approved, appointed or nominated for election to the Board of Directors by either the Permitted Holders or a majority of the Continuing Directors.

"Copyright Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 13.01 or such other address as to which the Trustee may give notice to the Company.

"Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Deed of Hypothec" has the meaning given to it in Section 11.07 of the Indenture.

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

"Definitive Note" means a Note registered in the name of the Holder thereof and issued in accordance with Section 2.07, substantially in the form of Exhibit A, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depositary" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.04 as the Depositary with respect to the Notes, and any and all successors thereto appointed as depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"Disqualified Equity Interest" means, with respect to any Person, any Equity Interest in such Person that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof) or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable at the option of the holder thereof for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such Equity Interests); or

(c) is redeemable (other than solely for Equity Interests in such Person that do not constitute Disqualified Equity Interest and cash in lieu of fractional shares of such

Equity Interests) or is required to be repurchased by such Person or any of its Affiliates, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date that is 91 days after the Maturity Date; provided, that, an Equity Interest that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an "asset sale" or a "change of control" shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full in cash of all of the Notes.

"DTC" means The Depository Trust Company.

"Dutch Guarantor" and "Dutch Guarantors" means, individually and collectively, Colt Netherlands and any other Guarantor organized under the laws of the Netherlands.

"Dutch Guaranty" means a general continuing guaranty of the Obligations executed and delivered by Colt Netherlands in favor of the Trustee and the Collateral Agent, for the benefit of Trustee, the Collateral Agent and the Holders, in substantially the same form as the Dutch guaranty delivered to the Third Lien Agent in connection with the Third Lien Credit Agreement (with customary changes thereto reflecting the junior status of the Liens securing the Notes), as amended, modified, restated and/or supplemented from time to time.

"Dutch Security Documents" means any documents governed by Dutch law under which security rights are granted to the Collateral Agent.

"Employee Benefit Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA, (a) that is or within the preceding six (6) years has been sponsored, maintained or contributed to by any of the Company or the Guarantors or ERISA Affiliate or (b) to which any of the Company or the Guarantors or ERISA Affiliate has, or has had at any time within the preceding six (6) years, any liability, contingent or otherwise.

"Equity Interests" means, with respect to any Person, all of the shares, interests, participations or other equivalents (however designated) of such Person's capital stock or general partnership, limited partnership, limited liability company or other equity, ownership or profit interests at any time outstanding, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), but excluding any interests in phantom equity plans and any debt security that is convertible into or exchangeable for such shares, and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statutes, and all regulations and guidance promulgated thereunder. Any

reference to a specific section of ERISA shall be deemed to be a reference to such section of ERISA and any successor statutes, and all regulations and guidance promulgated thereunder.

"ERISA Affiliate" means each entity, trade or business (whether or not incorporated) that together with the Company, a Guarantor or a Subsidiary would be (or has been) treated as a "single employer" within the meaning of section 4001(b)(1) of ERISA or subsections (b), (c), (m) or (o) of section 414 of the Code. ERISA Affiliate shall include any Subsidiary of any of the Company or the Guarantors.

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

"Excluded Issuances" means (a) the issuance of Qualified Equity Interests of Parent to directors, officers and employees of Parent and its Subsidiaries pursuant to employee stock option plans (or other employee incentive plans or other compensation arrangements) approved by the Board of Directors of Parent and permitted under the Third Lien Credit Agreement, (b) in the event that Parent or any of its Subsidiaries forms any Subsidiary in accordance with the terms hereof, the issuance by such Subsidiary of Qualified Equity Interests to Parent or such Subsidiary, as applicable, (c) the issuance of Qualified Equity Interests of Parent (i) in order to finance the purchase consideration (or a portion thereof) in connection with an Investment permitted under clause (r)(ii) of the definition of Permitted Investments, (ii) in order to finance Capital Expenditures permitted under the Third Lien Credit Agreement and/or (iii) so long as no Default or Event of Default shall have occurred and be continuing, for working capital purposes of Parent and its Subsidiaries (other than for the prepayment of Indebtedness permitted under Section 4.05(f)), (d) so long as no Default or Event of Default shall have occurred and be continuing, the issuance of Qualified Equity Interests of Parent in order to fund the prepayment of Indebtedness permitted under Section 4.05(f)(i)(B), and (e) the issuance of Qualified Equity Interests by a Subsidiary of Parent to its parent or member in connection with the contribution by such parent or member to such Subsidiary of the proceeds of an issuance described in clauses (a) through (d) above, but solely to the extent that (i) in the case of clauses (a) through (d) above, prior to the issuance of any such Qualified Equity Interests, the Company has provided the Trustee with written notice of the Company's intention to apply the proceeds of such Qualified Equity Interests in accordance with clause (a), (b), (c), (d) or (e) above, and (ii) in the case of clauses (c)(i), (c)(ii) and (d) the use of the proceeds of such issuance or sale of Qualified Equity Interests occurs substantially contemporaneously with the issuance or sale of such Qualified Equity Interests.

"Foreign Security Documents" means each Canadian Security Document, each Dutch Security Document and each other security document entered into by a Foreign Subsidiary of Parent in favor of the Trustee or the Collateral Agent.

"Foreign Subsidiary" means any Subsidiary that is not organized under the laws of the United States of America or any state thereof or the District of Columbia and any Subsidiary of such Subsidiary.

"Fourth Lien Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by the Company and Guarantors to the Trustee, the Collateral Agent and the Holders, including principal, interest, charges, fees, premiums, indemnities, costs

and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Fourth Lien Note Documents.

"Fourth Lien Note Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, in each case in accordance with the terms of the Intercreditor Agreement): (a) this Indenture; (b) the Notes; (c) the Security Documents; (d) the Intercreditor Agreement; (e) each Guaranty; (f) any Intercompany Subordination Agreement; and (g) all other agreements, documents and instruments at any time executed and/or delivered by the Company or any Guarantor with, to or in favor of the Trustee, the Collateral Agent or any Holder in connection therewith or related thereto; sometimes being referred to herein individually as a "Fourth Lien Note Document".

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States, consistently applied; provided, that, all calculations relative to liabilities shall be made without giving effect to Statement of Financial Accounting Standards No. 159.

"Global Note Legend" means the legend set forth in Section 2.07(c)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, any and all Notes, substantially in the form of Exhibit A, issued in the name of the Depositary or its nominee in accordance with Section 2.01 or Section 2.07. It shall be understood that, on the Issue Date, one Global Note shall be issued.

"Government Security" means [ ].

"Governmental Authority" means any federal, state, provincial, territorial, local, or other governmental or administrative body, instrumentality, board, department, or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

"Guarantors" means (a) Parent, (b) Colt's Manufacturing, (c) Colt Finance, (d) CDTS, (e) New Colt, (f) CDH II, (g) Colt Canada, (h) Colt Netherlands, (i) Colt Security, (j) IP Holdcos, and (k) any other Person that becomes a guarantor under the Indenture after the Issue Date; and "Guarantor" means any one of them.

"Guaranty" means each guaranty, including, without limitation, the Dutch Guaranty, executed by any Guarantor in favor of Trustee or the Collateral Agent, for the benefit of the Holders, in form and substance reasonably satisfactory to the Trustee and the Collateral Agent.

"Hedge Agreement" means (a) any commodities futures contract, commodity swap, commodity option or similar agreement or arrangement entered into by the Company or any Guarantor designed to protect any such party against fluctuations in the price of commodities actually used in the ordinary course of business of such party, (b) any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement designed to protect the Company or any

Guarantor against fluctuations in interest rates, and (c) any foreign currency exchange contract, currency swap agreement, currency futures contract, currency option contract or other similar agreement or arrangement designed to protect the Company or any Guarantor against fluctuations in currency exchange rates.

"Holder" means a Person in whose name a Note is registered.

"IFRS" means the International Financial Reporting Standards.

"Indebtedness" as to any Person means (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, (c) all obligations of such Person as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of such Person, irrespective of whether such obligation or liability is assumed, (e) all obligations of such Person to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices), (f) all obligations of such Person owing under Hedge Agreements (which amount shall be calculated based on the amount that would be payable by such Person if the Hedge Agreement were terminated on the date of determination), (g) any Disqualified Equity Interests of such Person, and (h) any obligation of such Person guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (g) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Indebtedness, (ii) the amount of any Indebtedness described in clause (d) above shall be the lower of the amount of the obligation and the fair market value of the assets of such Person securing such obligation and (iii) any earn-out obligation of a Person shall not constitute Indebtedness for the purposes of calculating any of the financial ratios herein until such obligation constitutes a liability on the balance sheet of such Person.

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code, the CCAA, the BIA or the Winding-Up Act, or under any other provincial, territorial state or federal bankruptcy or insolvency law or any bankruptcy or insolvency law of any other applicable jurisdiction, assignments for the benefit of creditors, formal or informal moratoria, compositions, extensions generally with creditors, or proceedings seeking reorganization, arrangement, or other similar relief, including any proceeding under applicable Canadian federal or provincial corporate law seeking an arrangement or compromise of some or all of the debts of a Person or a stay of proceedings to enforce some or all claims of creditors against a Person.

"Intellectual Property" means all domestic and foreign rights, title and interest in the following: (i) inventions, discoveries and ideas, whether patentable or not, and all patents,

registrations and applications therefor, including without limitation divisions, continuations, continuations-in-part, reexaminations, reissues and renewal applications; (ii) published and unpublished works of authorship, whether copyrightable or not, copyrights therein and thereto and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (iii) trademarks, service marks, trade names, trade dress, brand names, Internet domain names, logos, symbols, and other indicia of origin, all applications and registrations for all of the foregoing, and all goodwill associated therewith and symbolized thereby, including without limitation all extensions, modifications and renewal of the same; (iv) confidential and proprietary information, trade secrets and know-how, including, without limitation, TDPs, formulae, processes, compounds, drawings, designs, industrial designs, blueprints, surveys, reports, manuals, operating standards and customer lists; (v) software and contract rights relating to computer software programs, in whatever form created or maintained; and (vi) all other intellectual property rights or proprietary rights and claims or causes of action arising out of or related to any infringement, misappropriation or other violation of any of the foregoing throughout the world, including, without limitation, rights to recover for past, present and future violations thereof and any and all products and proceeds of the foregoing.

"Intercompany Subordination Agreement" means an intercompany subordination agreement executed and delivered by the Company, the Guarantors and their respective Subsidiaries in favor of the Trustee and the Holders, in substantially the same form as the intercompany subordination agreement delivered to the Third Lien Agent in connection with the Third Lien Credit Agreement, as amended, modified, restated and/or supplemented from time to time.

"Intercreditor Agreement" means that certain Junior Intercreditor Agreement, dated as of the date hereof, entered into between the Term Loan Agent, the Senior Loan Agent, the Third Lien Agent, the Trustee and the Collateral Agent, as acknowledged and agreed to by the Company and the Guarantors, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

"Inventory" means inventory (as such term is defined in the Uniform Commercial Code).

"Investment" means, with respect to any Person, any investment by such Person in any other Person (including Affiliates) in the form of loans, guarantees, advances, capital contributions (excluding (a) commission, travel, and similar advances to officers and employees of such Person made in the ordinary course of business, and (b) *bona fide* Accounts arising in the ordinary course of business), or acquisitions of Indebtedness, Equity Interests, or all or substantially all of the assets of such other Person (or of any division or business line of such other Person), and any other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP.

"IP Holdcos" means each of Canada IP Holdco and US IP Holdco.

"Issue Date" means the date of original issuance of the Notes under this Indenture.

"ITAR" means the International Traffic in Arms Regulations (22 CFR 120-130).

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment, hypothec, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

"Loan Agreements" means, collectively, the Term Loan Agreement, the Senior Loan Agreement and the Third Lien Credit Agreement.

"Management Agreements" means (i) [*Describe new Sciens Management Agreement*] and (ii) [*Describe new Newport/Fidelity Management Agreement*], in each case, as amended, restated, modified or supplemented from time to time in accordance with the terms hereof.

"Material Adverse Change" means (a) a material adverse change in the business, operations, assets, condition (financial or otherwise) or prospects of Parent and its Subsidiaries, taken as a whole, (b) a material impairment of Parent's and its Subsidiaries ability to perform their obligations under the Fourth Lien Note Documents to which they are parties or of the Trustee or the Collateral Agent's ability to enforce the Fourth Lien Debt or realize upon the Collateral, or (c) a material impairment of the enforceability or priority of the Collateral Agent's Liens with respect to the Collateral as a result of an action or failure to act on the part of Parent or its Subsidiaries.

"Maturity Date" means, with respect to the principal amount of any Note, the earlier of (a) [June 28], 2021, and (b) the date on which such principal amount (or portion thereof) becomes due and payable as therein or herein provided, whether at the Stated Maturity, by declaration of acceleration or call for redemption.

"Mortgages" means, individually and collectively, one or more mortgages, deeds of trust, deeds to secure debt, charges or debentures executed and delivered by Parent or its Subsidiaries in favor of the Collateral Agent that encumber the Real Property Collateral, in substantially the same form as the relevant mortgage or other instrument delivered to the Third Lien Agent relating to the same Real Property (with customary changes thereto reflecting the junior status of the Liens securing the Notes).

"Multiemployer Plan" means any multiemployer plan within the meaning of Section 3(37) or 4001(a)(3) of ERISA with respect to which any of the Company, the Guarantors or ERISA Affiliate has an obligation to contribute or has any liability, contingent or otherwise or could be assessed withdrawal liability assuming a complete withdrawal from any such multiemployer plan.

"New Colt" means New Colt Holding Corp, a Delaware corporation.

"Notes" means (i) the instruments executed by the Company in the form of Exhibit A attached hereto evidencing the 8.00% Fourth Priority Secured Notes due 2021 of the Company issued on the date hereof, (ii) any Notes authenticated and delivered after the date hereof pursuant to the Indenture on transfer, exchange, replacement, or redemption, (iii) any Notes authenticated and delivered after the date hereof pursuant to the Indenture with respect to any

claims disputed as of the effective date of the Plan of Reorganization and (iv) any increase in principal amount thereof and/or issuance of PIK Notes in connection with the payment or accrual of PIK Interest; provided, however, that the aggregate principal amount of Notes (whether by original issue and/or issuance of PIK Notes and/or any increase in principal amount in connection with the payment or accrual of PIK Interest) outstanding under this Indenture shall not exceed $10,000,000. The Notes shall be treated as a single class for all purposes under this Indenture. In the event any Note is issued after the Effective Date of the Plan of Reorganization as a result of the resolution of a claim which was disputed as of the Effective Date, for purposes of accruing interest, including any PIK Interest, such Note will be deemed to have been issued as of the date hereof, notwithstanding its date of authentication, and shall be entitled to receive PIK Interest, including any PIK Notes reflecting such interest, as if it had been issued on such date.

"Notes Secured Parties" means (i) the Holders, (ii) the Trustee, (iii) the Collateral Agent and (iv) any successors, endorsees, transferees and assigns of each of the foregoing.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by at least two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the principal accounting officer or the treasurer of the Company, that meets the requirements of this Indenture.

"Opinion of Counsel" means an opinion from legal counsel who is reasonably acceptable to the Trustee (who may be counsel to or an employee of the Company) that meets the requirements of this Indenture.

"OID Legend" means the legend set forth in Section 2.07(c)(iii) to be placed on all Notes issued under this Indenture if applicable.

"Other Loan Documents" means the Senior Loan Documents, the Term Loan Documents and the Third Lien Loan Documents, collectively.

"Parent" means Colt Holding Company LLC, a Delaware limited liability company.

"Patent Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to the provisions of Title IV or Section 302 of ERISA or Sections 412 or 430 of the Code and which is sponsored, maintained, or contributed to by any of the Company, the Guarantors or ERISA Affiliate or with respect to which any of the Company, the Guarantors or ERISA Affiliate has any liability, contingent or otherwise.

"Permitted Dispositions" means:

(a) sales, abandonment, or other dispositions of equipment that is substantially worn, damaged, or obsolete in the ordinary course of business, consistent with past practice;

(b) sales of Inventory to buyers in the ordinary course of business and the consignment of Inventory to the Government of the United Mexican States in the ordinary course of business pursuant to a written agreement (the "DCAM Consignment"); provided, that, the maximum value of Inventory consigned to the Government of the United Mexican States at any one time shall not exceed $[2,880,000][1];

(c) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Indenture or the other Fourth Lien Note Documents;

(d) the licensing or sublicensing of Intellectual Property in accordance with the Third Lien Credit Agreement;

(e) the non-exclusive licensing or sublicensing of any other general intangibles (other than Intellectual Property or the licenses in effect on the Issue Date as set forth on Schedule L-1 to the Third Lien Credit Agreement) and licenses, leases or subleases of other property, in each case, in the ordinary course of business consistent with past practice and so long as any such transaction shall not materially interfere with the business of Parent and its Subsidiaries;

(f) the granting of Permitted Liens;

(g) the sale or discount, in each case without recourse, of Accounts arising in the ordinary course of business consistent with past practice, but only in connection with the compromise or collection thereof;

(h) any involuntary loss, damage or destruction of property;

(i) any involuntary condemnation, seizure or taking, by exercise of the power of eminent domain or otherwise, or confiscation or requisition of use of property;

(j) the leasing or subleasing of assets of Parent or its Subsidiaries (other than Accounts and Inventory or Intellectual Property (Intellectual Property being covered by clause (d) above)) in the ordinary course of business consistent with past practice;

(k) the sale or issuance of Equity Interests by any Subsidiary of Parent to the Company or the Guarantors;

[1] [Precise basket amounts to be confirmed; in general, they should be with 20% cushion as compared to the Third Lien Credit Agreement.]

(l) the non-exclusive licensing or sublicensing of Intellectual Property pursuant to manufacturing license agreements or technical assistance agreements with certain foreign governments, or otherwise in accordance with ITAR, in each case so long as any such transaction does not: (i) adversely affect, limit or restrict the rights of the Collateral Agent or Trustee to use any Intellectual Property of the Company or any Guarantor to sell or otherwise dispose of any Inventory or other Collateral, (ii) have a material and adverse effect on the value of such Intellectual Property, or (iii) otherwise adversely limit or interfere with the use of such Intellectual Property by the Collateral Agent or Trustee in connection with the exercise of its rights or remedies hereunder or under any of the other Fourth Lien Note Documents;

(m) the making of a Restricted Payment that is expressly permitted to be made pursuant to Section 4.05(h) of the Indenture;

(n) the making of a Permitted Investment;

(o) the sale or other disposition of property by the Company, a Guarantor or any of their respective Subsidiaries to the Company or another Guarantor; and

(p) sales or other dispositions of assets of Parent and its Subsidiaries not otherwise subject to the provisions set forth in this definition, provided that as to any such sale or other disposition, each of the following conditions is satisfied:

(i) such transaction does not involve the sale or other disposition of any Intellectual Property, Equity Interest in any Subsidiary or Accounts or Inventory; and

(ii) either (x) the aggregate amount of such dispositions does not exceed $[720,000], or (y) the net cash proceeds from such dispositions are applied to repay and permanently reduce the Senior Loan Debt, Term Loan Debt or the Third Lien Debt.

"Permitted Holders" means the Persons listed on Schedule [P-3] to the Third Lien Credit Agreement.

"Permitted Indebtedness" means:

(a) Indebtedness evidenced by the Fourth Lien Note Documents;

(b) Indebtedness set forth on Schedule [4.19] to the Third Lien Credit Agreement and, in the case of letters of credit listed on such schedule, extensions of maturity or replacements of such Indebtedness in the same principal amount;

(c) Permitted Purchase Money Indebtedness; provided that the aggregate amount of all such Indebtedness does not exceed $[1,440,000] at any time outstanding unless otherwise permitted pursuant to the Loan Agreements;

(d) endorsement of instruments or other payment items for deposit;

(e) Indebtedness consisting of (i) unsecured guarantees incurred in the ordinary course of business with respect to surety and appeal bonds, performance bonds, bid bonds, appeal bonds, completion guarantee and similar obligations; (ii) unsecured guarantees arising with respect to customary indemnification obligations to purchasers in connection with Permitted Dispositions; and (iii) unsecured guarantees with respect to Indebtedness of Parent or one of its Subsidiaries, to the extent that the Person that is obligated under such guaranty would have been permitted to incur such underlying Indebtedness; provided that the aggregate amount of all such Indebtedness under provisos (i), (ii) and (iii) of this paragraph (e) does not exceed $[144,000] at any time outstanding unless otherwise permitted pursuant to the Loan Agreements;

(f) Indebtedness incurred in the ordinary course of business under performance, surety, statutory and appeal bonds;

(g) [Reserved];

(h) Indebtedness incurred in respect of credit cards, credit card processing services, debit cards, stored value cards, purchase cards (including so-called "procurement cards" or "P-cards"), or Cash Management Services, in each case, incurred in the ordinary course of business;

(i) Indebtedness of Parent or its Subsidiaries arising pursuant to Permitted Intercompany Advances;

(j) Indebtedness consisting of Permitted Investments;

(k) Indebtedness evidenced by the Term Loan Documents in an aggregate outstanding principal amount not to exceed the Term Loan Debt Amount;

(l) Indebtedness evidenced by the Senior Loan Documents in an aggregate outstanding principal amount not to exceed the Senior Loan Debt Amount;

(m) Indebtedness evidenced by the Third Lien Loan Documents in an aggregate outstanding principal amount not to exceed the Third Lien Loan Debt Amount;

(n) Indebtedness with respect to letters of credit in an aggregate face amount not to exceed $[7,200,000];

(o) Indebtedness incurred by Parent or its Subsidiaries in respect of workers' compensation claims, health, disability or other employee benefits or property, casualty or liability insurance, self-insurance obligations, performance, bid surety and similar bonds and completion guarantees (not for borrowed money), in each case in the ordinary course of business;

(p) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that such Indebtedness is extinguished with ten Business Days of incurrence;

(q) Indebtedness of Parent or any Subsidiary consisting of take-or-pay obligations contained in supply arrangements in the ordinary course of business;

(r) other unsecured Indebtedness in an aggregate principal amount not to exceed $[35,000,000] at any time outstanding, provided that (i) such Indebtedness is subject to a subordination agreement pursuant to which such Indebtedness shall be subordinated in right of payment to the Fourth Lien Debt, which subordination agreement shall be in substantially the same form as the related subordination agreement delivered to the Third Lien Agent in connection with the Third Lien Credit Agreement, (ii) the terms of such Indebtedness do not require Parent or any Subsidiary to make cash payments prior to the date that is 91 days after the Maturity Date and (iii) such Indebtedness has a maturity date that is at least 91 days after than the Maturity Date; and

(s) in the event that a US Party shall have purchased the facility underlying the West Hartford Lease, Indebtedness secured by (i) third party mortgages securing Indebtedness not to exceed a $[ ] at any time outstanding, (ii) a mortgage securing the Term Loan Debt, (iii) a mortgage securing the Senior Loan Debt, (iv) a mortgage securing the Third Lien Debt and (v) a mortgage securing the Fourth Lien Debt.

"Permitted Intercompany Advances" means loans (a) made by any of the Company or any of the Guarantors that is not a Specified Note Party to another of the Company, or any of the Guarantors that is not a Specified Note Party and (b) made by any of the Company, or any of the Guarantors that is not a Specified Note Party to a Specified Note Party; provided, that, (i) in the case of clauses (a) and (b), the Trustee and Collateral Agent shall have received an Intercompany Subordination Agreement as duly authorized, executed and delivered by the parties to any such loans and (ii) in the case of clause (b) only, the aggregate amount of all such loans does not exceed $[720,000] at any time outstanding unless otherwise permitted under the Third Lien Credit Agreement or agreed to in writing by the Trustee.

"Permitted Investments" means:

(a) Investments in cash and Cash Equivalents of the Company or any Guarantor or other Investments by the Company or any Subsidiary in the Company or any Guarantor;

(b) Investments in negotiable instruments deposited or to be deposited for collection in the ordinary course of business;

(c) advances made in connection with purchases of goods or services in the ordinary course of business;

(d) Investments received in settlement of amounts due to the Company, any Guarantor or any of their respective Subsidiaries effected in the ordinary course of business or owing to the Company, any Guarantor or any of their respective Subsidiaries as a result of Insolvency Proceedings involving an Account Debtor or upon the foreclosure or enforcement of any Lien in favor of the Company, any Guarantor or any of their respective Subsidiaries;

(e) guarantees permitted under the definition of Permitted Indebtedness;

(f) Permitted Intercompany Advances;

(g) Equity Interests or other securities acquired in connection with the satisfaction or enforcement of Indebtedness or claims due or owing to the Company, any Guarantor or any of their respective Subsidiaries (in bankruptcy of customers or suppliers or otherwise outside the ordinary course of business consistent with past practice) or as security for any such Indebtedness or claims;

(h) deposits of cash made in the ordinary course of business to secure performance of operating leases;

(i) the endorsement of instruments for collection or deposit in the ordinary course of business;

(j) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business;

(k) receivables owing to Parent or any of its Subsidiaries if created or acquired in the ordinary course of business consistent with current practices as of the date hereof;

(l) loans and advances by Parent and its Subsidiaries to independent directors, officers and employees of Parent and its Subsidiaries in the ordinary course of business for bona fide business purposes not in excess of $[360,000] at any time outstanding;

(m) stock or obligations issued to Parent and its Subsidiaries by any Person (or the representative of such Person) in respect of Indebtedness of such Person owing to Parent and its Subsidiaries in connection with the insolvency, bankruptcy, receivership or reorganization of such Person or a composition or readjustment of the debts of such Person;

(n) Investments constituting Restricted Payments permitted by Section 4.05(h) of this Indenture;

(o) Investments made as a result of the receipt of non-cash consideration from a Permitted Disposition;

(p) Investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan in an amount not to exceed the amount of compensation expense recognized by Parent and its Subsidiaries in connection with such plans;

(q) solely to the extent constituting Investments, purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses or leases of Intellectual Property, in each case in the ordinary course of business; and

(r) other Investments (i) in an aggregate outstanding amount not to exceed $[720,000] at any time or (ii) made solely with the proceeds of any Excluded Issuances (as described in clause (c)(i) of the definition thereof; provided, that, as of the date of such Investment and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing).

"Permitted Liens" means:

(a) Liens granted to, or for the benefit of, the Trustee or the Collateral Agent to secure the Notes or any other Obligations under the Fourth Lien Note Documents;

(b) Liens for unpaid Taxes that either (i) are not yet delinquent, or (ii) for which the underlying Taxes are the subject of Permitted Protests;

(c) judgment Liens arising solely as a result of the existence of judgments, orders, or awards that do not constitute an Event of Default under Section 6.01(vi) hereof;

(d) Liens set forth on Schedule [P-2] to the Third Lien Credit Agreement; provided, however, that to qualify as a Permitted Lien, any such Lien described on Schedule [P-2] to the Third Lien Credit Agreement shall only secure the Indebtedness that it secures on the Issue Date in respect thereof or in the case of Liens on cash deposits securing letters of credit issued and outstanding on the Issue Date ("Closing Date LCs"), Liens on cash deposits of an equivalent amount securing replacements or extensions of such letters of credit; provided, that the cash deposits securing the Closing Date LCs have been returned to the Company or the applicable Guarantor (or arrangements for the substantially concurrent return of such cash deposits to the Company or the applicable Guarantor have been made);

(e) any interest or title of a lessor, sublessor or licensor in or to any asset (other than Accounts or Inventory) under any lease, sublease or license entered into by Parent or its Subsidiaries in the ordinary course of business consistent with past practice and covering only such asset;

(f) purchase money Liens or the interests of lessors under Capital Leases, in each case, as to assets or property, other than Accounts or Inventory, to the extent that such Liens or interests secure Permitted Purchase Money Indebtedness and so long as (i) such Lien attaches only to the asset or property purchased or acquired (substantially contemporaneous with such purchase or acquisition) and the proceeds thereof, and (ii) such Lien only secures the Indebtedness that was incurred to acquire the asset or property purchased or acquired;

(g) Liens arising by operation of law in favor of warehousemen, landlords, carriers, mechanics, materialmen, laborers, or suppliers, incurred in the ordinary course of business consistent with past practice and not in connection with the borrowing of money, and which Liens either (i) are for sums not yet delinquent, or (ii) are the subject of Permitted Protests;

(h) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with worker's compensation or other unemployment insurance;

(i) Liens on cash deposited to secure Parent's and its Subsidiaries' obligations in connection with the making or entering into of bids, tenders, or leases in the ordinary course of business consistent with past practice and not in connection with the borrowing of money;

(j) Liens on cash deposited to secure Parent's and its Subsidiaries' reimbursement obligations with respect to surety or appeal bonds obtained in the ordinary course of business consistent with past practice;

(k) with respect to any Real Property, encumbrances, ground leases, easements or reservations of, or rights of others (including any reservations, limitations, provisos and conditions expressed in any original grant from the Crown with respect of any Real Property owned by Colt Canada) for, licensees, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) in each case as to the use of Real Property or Liens on Real Property incidental to the conduct of the business of Parent or its Subsidiaries or to the ownership of its Real Property that (in each case) do not individually or in the aggregate materially adversely affect the value of any such Real Property or materially impair, or interfere with, the use or operation of such Real Property;

(l) licenses of Intellectual Property to the extent constituting a Permitted Disposition;

(m) rights of setoff or bankers' liens upon deposits of cash in favor of banks or other depository institutions, solely to the extent incurred in connection with the maintenance of such deposit accounts in the ordinary course of business;

(n) Liens in favor of customs, revenue or other tax authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(o) Liens on cash deposits to secure Indebtedness permitted by clause (n) of the definition of "Permitted Indebtedness";

(p) Liens arising from precautionary UCC financing statement filings regarding operating leases entered into by Parent and its Subsidiaries in the ordinary course of business;

(q) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business including Inventory consigned pursuant to the DCAM Consignment described in clause (b) of the definition of Permitted Dispositions;

(r) in the event that the Company or a Guarantor formed under the laws of a State within the United States shall have purchased the facility underlying the West Hartford Lease, (i) third party mortgages securing Indebtedness not to exceed $[_____] at any time outstanding and (ii) one or more additional mortgages securing the Other Loan Documents or the Fourth Lien Note Documents; provided that the Collateral Agent is granted a mortgage to secure the Fourth Lien Debt promptly after the grant of any mortgages securing the Indebtedness under the Other Loan Documents, which mortgage shall be in substantially the same form as the related mortgage delivered to the Third Lien Agent (with customary changes thereto reflecting the junior status of the Liens securing the Notes);

(s) with respect to any Real Property, minor survey exceptions, minor encumbrances, ground leases, easements or reservations or, or rights of others for, licenses, rights-of-way servitudes, sewers, restrictive consents, electric lines, drains, telegraph and telephone and cable television lines, gas and oil pipelines and other similar purposes, or zoning, building codes or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) which (in each case) were not incurred in connection with Indebtedness and which do not individually or in the aggregate materially adversely affect the value of such Real Property or materially impair, interfere with, the use or operation of such Real Property;

(t) leases, subleases, licenses or sublicenses to the extent permitted by clause (d) of the definition of Permitted Dispositions;

(u) Liens of Term Loan Agent to secure the Indebtedness permitted under clause (k), of the definition of Permitted Indebtedness;

(v) Liens of Senior Loan Agent to secure the Indebtedness permitted under clause (l) of the definition of "Permitted Indebtedness"; and

(w) Liens of Third Lien Agent to secure the Indebtedness permitted under clause (m), of the definition of Permitted Indebtedness.

Notwithstanding anything to the contrary contained in this Indenture, Permitted Liens shall not include any Liens on assets of the Company or any Guarantor which secure any Indebtedness or other obligations of any Foreign Subsidiary, except (x) as permitted by clause (a) of the definition of Permitted Liens and liens arising in respect of Indebtedness permitted under clauses (k), (l) and (m) of the definition of Permitted Indebtedness, (y) as otherwise permitted pursuant to the Loan Agreements and (z) Liens on assets of Guarantors organized under the laws of Canada or any province or territory thereof may secure Indebtedness and other obligations of Guarantors organized under the laws of Canada or any province or territory thereof to the extent permitted by Section 4.05(a) or 4.05(b).

"Permitted Protest" means the right of Parent or any of its Subsidiaries to protest any Lien (other than any Lien that secures the Notes), Taxes, or rental payment, provided that (a) a reserve or provision with respect to such obligation is established on Parent's or its Subsidiaries' books and records in such amount as is required under GAAP and (b) such Lien or other

obligations are being contested in good faith by appropriate proceedings diligently conducted and such proceedings operate to stay the enforcement of such Lien or any Lien securing any such obligations.

"Permitted Purchase Money Indebtedness" means, as of any date of determination, Purchase Money Indebtedness incurred after the Issue Date in an aggregate principal amount outstanding at any one time not in excess of $[1,440,000].

"Person" means natural persons, corporations, companies, limited liability companies, limited partnerships, general partnerships, limited liability partnerships, joint ventures, trusts, land trusts, business trusts, or other organizations, irrespective of whether they are legal entities, Governmental Authorities or otherwise.

"PIK Interest" means an interest payment with respect to the Notes made by increasing the outstanding principal amount of the Notes or issuing PIK Notes.

"PIK Interest Legend" means the legend set forth in Section 2.07(c)(iii) to be placed on all Global Notes issued under this Indenture.

"PIK Notes" means additional Notes issued under this Indenture after the date hereof on the same terms and conditions as the Notes in connection with a PIK Interest payment.

"Plan of Reorganization" has the meaning given to it in the preamble to this Indenture.

"PPSA" means the Personal Property Security Act (Ontario), the Civil Code of Québec or any other applicable Canadian Federal, Provincial or Territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

"Purchase Money Indebtedness" means Indebtedness incurred at the time of, or within 20 days after, the acquisition of any fixed assets for the purpose of financing all or any part of the acquisition cost thereof.

"Qualified Equity Interests" means Equity Interests issued by Parent (and not by one or more of its Subsidiaries) that are not Disqualified Equity Interests. For the avoidance of doubt, for purposes of the exercise of the Cure Right under Section 8 of any of the Loan Agreements, Class A, Class B, and preferred equity (other than preferred equity that (a) is convertible into debt, (b) provides for mandatory cash pay dividends or distributions or (c) provides for any mandatory redemption in cash of such Equity Interest prior to the satisfaction in full in cash of the Fourth Lien Debt) issued pursuant to the Second Amended and Restated Limited Liability Company Agreement of Parent as in effect on the Issue Date shall constitute Qualified Equity Interests and shall be permitted to be issued hereunder.

"Real Property" means any estates or interests in real property now owned or hereafter acquired by Parent or its Subsidiaries and the improvements thereto.

"Real Property Collateral" means any Real Property owned by Parent or its Subsidiaries which is subject to a Lien in favor of the Collateral Agent.

"Required Lenders" has the meaning given to such term in the Third Lien Credit Agreement.

"Responsible Officer," when used with respect to the Trustee, means any officer within the Corporate Trust Office of the Trustee (or any successor group of the Trustee) or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person's knowledge of and familiarity with the particular subject, and who shall have direct responsibility for the administration of this Indenture.

"Restricted Payment" means to the declaration or payment of any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests of Parent or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests or on account of any return of capital to Parent or such Subsidiary's stockholders, partners or members (or the equivalent Person thereof), or payment made to redeem, purchase, repurchase or retire, or to obtain the surrender of, any outstanding warrants, options or other rights to acquire any Equity Interests of Parent or any of its Subsidiaries, or any setting apart of funds or property for any of the foregoing.

"Section 1145 Exemption Legend" means the legend set forth in Section 2.07(c)(i) to be placed on all Notes issued under this Indenture.

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

"Security Documents" means the Canadian Guarantee, the Canadian Security Documents, the Dutch Security Documents, the other Foreign Security Documents, any the US Security Agreement, and other US Security Documents, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments as may be entered into in connection with this Indenture.

"Senior Loan Agent" means Cantor Fitzgerald Securities and its successors and assigns, including any successor or replacement agent under the Senior Loan Agreement.

"Senior Loan Agreement" means the Senior Secured Credit Agreement, dated as of the date hereof, by and among Senior Loan Agent, Senior Loan Lenders, the Company and certain of its affiliates, as may hereafter be further amended, modified, supplemented, extended, renewed, restated, refinanced or replaced in accordance with the terms of the Intercreditor Agreement.

"Senior Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by the Company and the Guarantors to Senior Loan Agent and Senior Loan Lenders, including principal, interest, charges, fees, premiums, indemnities, costs

and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Senior Loan Documents.

"Senior Loan Debt Amount" means $[ ], plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Senior Loan Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith.

"Senior Loan Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, in each case in accordance with the terms of the Intercreditor Agreement): (a) the Senior Loan Agreement; and (b) all other agreements, documents and instruments at any time executed and/or delivered by the Company and/or any Guarantor with, to or in favor of Senior Loan Agent or any Senior Loan Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Senior Loan Document".

"Senior Loan Lenders" means the lenders under the Senior Loan Agreement and their respective successors and assigns.

"Significant Subsidiary" means any Guarantor that would constitute a "significant subsidiary" within the meaning of Article 1 of Regulation S-X of the Securities Act.

"Specified Event of Default" means an Event of Default pursuant to Section 8.8 of the Third Lien Credit Agreement as a result of a breach of a representation or warranty set forth under Sections 4.1, 4.2, 4.3, 4.4, or 4.5 thereto or pursuant to Section 8.2 of the Third Lien Credit Agreement as a result of a failure to perform or observe any of Sections 5.3, 5.4 or 5.8 thereto.

"Specified Note Party" means any of the Guarantors (a) that is not formed, organized and/or incorporated under the laws of the United States of America, any state thereof, the District of Columbia, Canada (or any province or territory thereof) or the Netherlands and (b) that has been designated as a "Specified Loan Party" for purposes of the Third Lien Credit Agreement.

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

"Subsidiary" of a Person means a corporation, partnership, limited liability company, or other entity in which that Person directly or indirectly owns or controls the Equity Interests having ordinary voting power to elect a majority of the board of directors (or appoint other comparable managers) of such corporation, partnership, limited liability company, or other entity. Unless otherwise specified, all references herein to a "Subsidiary" or "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Company or any of the Guarantors.

"Taxes" means any taxes, levies, imposts, duties, assessments or other similar charges now or hereafter imposed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

"TDP" means data that is used in the production of firearms or accessories for firearms, including, but not limited to, engineering drawings, three dimensional CAD models, associated lists, material specifications, product specifications, tooling and gauging, including associated drawings and models, assembly instructions, fixtures, including associated drawings, engineering change information, previous revision information, process specifications and standards, as may be revised from time to time.

"Term Loan Agent" means Wilmington Savings Fund Society, FSB and its successors and assigns, including any successor or replacement agent under the Term Loan Agreement.

"Term Loan Agreement" means the Term Loan Agreement, dated as of the date hereof, by and among Term Loan Agent, Term Loan Lenders, Parent and certain of its affiliates, as may hereafter be further amended, modified, supplemented, extended, renewed, restated, refinanced or replaced in accordance with the terms of the Intercreditor Agreement.

"Term Loan Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by the Company and the Guarantors to Term Loan Agent and Term Loan Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Term Loan Documents.

"Term Loan Debt Amount" means $[ ], plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Term Loan Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith.

"Term Loan Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated, refinanced or replaced, in each case in accordance with the terms of the Intercreditor Agreement): (a) the Term Loan Agreement; and (b) all other agreements, documents and instruments at any time executed and/or delivered by the Company and/or any Guarantor with, to or in favor of Term Loan Agent or any Term Loan Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Term Loan Document".

"Term Loan Lenders" means the lenders under the Term Loan Agreement and their respective successors and assigns.

"Third Lien Agent" means Cantor Fitzgerald Securities and its successors and assigns, including any successor or replacement agent under the Third Lien Credit Agreement.

"Third Lien Credit Agreement" means the Third Lien Secured Agreement, dated as of the date hereof, by and among Third Lien Agent, Third Lien Lenders, Parent and certain of its

affiliates, as may hereafter be further amended, modified, supplemented, extended, renewed, restated, refinanced or replaced in accordance with the terms of the Intercreditor Agreement.

"Third Lien Debt" means all obligations, liabilities and indebtedness of every kind, nature and description owing by the Company and the Guarantors to Third Lien Agent and Third Lien Lenders, including principal, interest, charges, fees, premiums, indemnities, costs and expenses, however evidenced, whether as principal, surety, endorser, guarantor or otherwise, arising under the Third Lien Loan Documents.

"Third Lien Lenders" means the lenders party to the Third Lien Credit Agreement.

"Third Lien Loan Debt Amount" means, $[55,000,000], plus any payment-in-kind interest thereon at any time outstanding, plus, in the case of any renewal, refinancing or replacement of the Third Lien Credit Agreement, an additional amount sufficient to pay accrued interest on any such Indebtedness so renewed, refinanced or replaced and reasonable fees and expenses incurred in connection therewith.

"Third Lien Loan Documents" means, collectively, the following (as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced, in each case in accordance with the terms of the Intercreditor Agreement): (a) the Third Lien Credit Agreement; and (b) all other agreements, documents and instruments at any time executed and/or delivered by the Company and/or any Guarantor with, to or in favor of Third Lien Agent or any Third Lien Lender in connection therewith or related thereto; sometimes being referred to herein individually as a "Third Lien Loan Document".

"Trademark Security Agreement" has the meaning specified therefor in the US Security Agreement or the Canadian Security Agreement, as the case may be.

"Transaction Documents" means the Term Loan Documents, the Senior Loan Documents, the Third Lien Loan Documents, the Fourth Lien Note Documents, the Confirmation Order, any amendments or modifications to any of the foregoing and any other agreement entered into or certificate issued, now or in the future, by Parent or any of its Subsidiaries in connection with the Transaction Documents.

"Trustee" means Wilmington Trust, National Association until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time; provided that, if by reason of any mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of the security interests granted to the Collateral Agent pursuant to any Fourth Lien Note Document are governed by the Uniform Commercial Code as in effect in a jurisdiction of the United States of America other than New York, then "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of such perfection, effect of perfection or non-perfection or priority.

"US IP Holdco" means Colt's Manufacturing IP Holding Company, LLC, a Delaware limited liability company.

"US Parties" means the Company each Guarantor under the Indenture organized under the laws of the United States; each sometimes being referred to individually as a "US Party."

"US Security Agreement" means a security agreement, dated as of even date with the Indenture, substantially the same form as the U.S. security agreement delivered to the Third Lien Agent in connection with the Third Lien Credit Agreement (with customary changes thereto reflecting the junior status of the Liens securing the Notes), executed and delivered by the Company and the Guarantors to the Collateral Agent.

"US Security Documents" means the US Security Agreement, any Copyright Security Agreement, any Patent Security Agreement, any Trademark Security Agreements, any Mortgage, and such other mortgages, debentures, charges, pledges, security agreements, joinder agreements, documents and instruments, in any such case, governed by the laws of the United States of America (or any State thereof) granting a Lien on any Collateral to secure the Notes.

"West Hartford Lease" means the lease agreement dated [ ] with respect to [ ], being the Parent's primary location in West Hartford, Connecticut, among [ ] and [ ], as it may be amended pursuant to the Third Lien Credit Agreement.

"Winding-Up Act" means the Winding-Up and Restructuring Act (Canada), R.S.C., C.W.-11, as the same now exists or may from time to time hereafter be amended, modified, recodified or supplemented together with all official rules, regulations and interpretations thereunder or related thereto.

Section 1.02 Accounting Terms. Any accounting term used in this Indenture shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with GAAP, and all financial computations hereunder shall be computed unless otherwise specifically provided herein, in accordance with GAAP as consistently applied and using the same method for inventory valuation as used in the preparation of the financial statements of Parent most recently received by the Holders prior to the date hereof; provided, however, that (a) upon the adoption by Parent of IFRS as required by Parent's independent certified public accountants and notification by the Company to the Trustee of such adoption (the "IFRS Adoption") or (b) if Company notifies the Trustee that the Company request an amendment to any provision hereof to eliminate the effect of any Accounting Change occurring after the Issue Date or in the application thereof on the operation of such provision (or if the Company notifies the Trustee that the Required Lenders under the Third Lien Credit Agreement request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such the IFRS Adoption or Accounting Change or in the application thereof, then upon the effectiveness of any corresponding amendment to the Third Lien Credit Agreement, the Company, the Guarantors, if any, the Trustee and the Collateral Agent may amend or supplement the provisions of this Indenture, the Notes, the Guarantees, the Security Documents and the Intercreditor Agreement that are directly affected by such IFRS Adoption or Accounting Change with the intent of having the respective positions of the Holders and the Company after such IFRS Adoption or Accounting Change conform as nearly as possible

to their respective positions as of the date of this Indenture, in a manner similar to applicable amendment to the Third Lien Credit Agreement, without the consent of any Holder of a Note and, until any such amendments have been agreed upon and agreed to by the Required Lenders under the Third Lien Credit Agreement, the provisions in this Indenture, including the covenants, shall be calculated in accordance with GAAP as in effect, and as applied by Parent and its Subsidiaries as if no such IFRS Adoption or Accounting Change had occurred.

Notwithstanding anything to the contrary contained herein, all financial statements delivered hereunder shall be prepared without giving effect to any election under the Statement of Financial Accounting Standards No. 159 (or any similar accounting principle) permitting a Person to value its financial liabilities or Indebtedness at the fair value thereof. Notwithstanding anything to the contrary contained in GAAP or any interpretations or other pronouncements by the Financial Accounting Standards Board or otherwise, the term "unqualified opinion" as used herein to refer to opinions or reports provided by accountants means an opinion or report that does not include any qualification, explanation, supplemental comment or other comment concerning the ability of the applicable person to continue as a going concern or the scope of the audit. When used herein, the term "financial statements" shall include the notes and schedules thereto. For purposes of calculations pursuant to the terms of this Indenture, GAAP will be deemed to treat operating leases in a manner consistent with the current treatment under GAAP as in effect on the Issue Date, notwithstanding any modification or interpretive changes thereto that may occur hereafter.

Section 1.03 Rules of Construction.

Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the singular;

(e) "herein", "hereof" and other word of similar import refer to this Indenture as a whole and not to any particular Section, Article or other subdivision;

(f) all references to Sections or Articles or Exhibits refer to Sections or Articles or Exhibits of or to this Indenture unless otherwise indicated; and

(g) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the Commission from time to time.

ARTICLE TWO

THE NOTES

Section 2.01 Form and Dating.

(a) General. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage approved by the Company. Each Note shall be dated the date of its authentication. The initial Notes shall be issued in registered form without interest coupons in minimum denominations of $200 and integral multiples of $50 in excess thereof. PIK Notes shall be issued in denominations of $1.00 and integral multiples of $1.00.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture, and the Company, the Guarantors, and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

Notes issued in global form will be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form will be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note will represent such of the outstanding Notes as will be specified therein and each shall provide that it represents the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions and payments of PIK Interest. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby will be made by the Trustee or the Custodian, at the written direction of the Trustee, in accordance with written instructions given by the Holder thereof as required by Section 2.07 hereof. Notwithstanding anything to the contrary contained in this Indenture or any Note, the aggregate principal amount of Notes (whether by original issue and/or issuance of PIK Notes and/or any increase in principal amount in connection with the payment or accrual of PIK Interest) at any time outstanding under this Indenture shall not exceed $10,000,000. Thereafter, if the aggregate principal amount outstanding under the Notes (whether by original issue and/or any increase in principal amount in connection with the payment or accrual of PIK Interest) equals $10,000,000, then interest on all the Notes shall accrue at the rate of 8.00% per annum (without any interest on interest thereon, PIK Interest or compounding thereof) and such accrued interest shall be payable on the Maturity Date as provided in the Notes.

Members of or participants in DTC shall have no rights under this Indenture with respect to any Global Note, and the DTC nominee in whose name such Global Note is registered shall be treated by the Company and the Trustee as the absolute owner of such Global Note for all purposes.

Section 2.02 Execution and Authentication.

At least one Officer of the Company shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. Such signature shall be conclusive evidence that the Note has been authenticated under this Indenture. The aggregate principal amount of Notes at any time outstanding (including the Notes initially issued on the date of this Indenture and any increase in principal amount thereof and/or issuance of PIK Notes in connection with the payment or accrual of PIK Interest) under this Indenture shall not exceed $10,000,000.

The Notes issued on the Issue Date and any Notes subsequently issued after the Issue Date shall be treated as a single class for all purposes under this Indenture.

At any time and from time to time after the execution of this Indenture, the Trustee shall, upon receipt of a written order of the Company signed by an Officer of the Company (an "Authentication Order"), authenticate Notes for original issue in an aggregate principal amount specified in such Authentication Order. The Authentication Order shall specify the amount of Notes to be authenticated, the date on which the Notes are to be authenticated, the number of separate Note certificates, the registered Holder of each of the Notes and delivery instructions.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders, the Company or an Affiliate of the Company.

Section 2.03 Methods of Receiving Payments on the Notes.

If a Holder has given wire transfer instructions to the Company, the Company shall pay all principal and premium, if any, payable in cash on that Holder's Notes in accordance with those instructions. All other payments on Notes shall be made at the office or agency of the Paying Agent and Registrar within the United States; provided, that all payments of principal and premium, if any, payable in cash with respect to the Notes represented by one or more Global Notes registered in the name of or held by DTC or its nominee, shall be made by wire transfer of immediately available funds to the accounts specified by DTC or its nominee.

PIK Interest on the Notes will be payable (x) with respect to Notes represented by one or more Global Notes registered in the name of, or held by DTC or its nominee on the relevant interest record date, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded to the nearest $50) (or, if required by DTC, to authenticate new Global Notes executed by the Company with such increased principal amounts) and (y) with respect to Notes represented by Definitive Notes, by issuing PIK Notes in the form of Definitive Notes that are not Global Notes

in an aggregate principal amount equal to the amount of PIK Interest for the applicable period (rounded to the nearest whole dollar), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Notes for original issuance to the Holders; provided, however, that, with respect to the Interest payable on any Interest Payment Date, to the extent that such payment would otherwise cause the outstanding principal amount of the Notes, including any PIK Notes, to exceed $10,000,000, the entire payment of Interest due on such Interest Payment Date shall be in the form of accrued interest, and no further PIK Notes shall be issued, nor shall any PIK Interest accrue on any Global Note on such Interest Payment Date or thereafter.

Section 2.04 Registrar and Paying Agent.

(a) The Company shall maintain a registrar with an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and a paying agent with an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company shall promptly notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

(b) The Company initially appoints DTC to act as Depositary with respect to the Global Notes.

(c) The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Custodian with respect to the Global Notes.

Section 2.05 Paying Agent to Hold Money in Trust.

Except as otherwise provided below with respect to Definitive Notes, the Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money and PIK Interest held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall promptly notify the Trustee of any Default by the Company in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money and/or PIK Interest held by it to the Trustee. The Company at any time may require a Paying Agent to pay all money and/or PIK Interest held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or one of its Subsidiaries) shall have no further liability for the money and/or PIK Interest. If the Company or one of its Subsidiaries acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money and/or PIK Interest held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Notwithstanding the foregoing, all PIK Notes, representing PIK Interest on any Definitive Notes shall be delivered to the registered Holder of such Definitive Note, at the address set forth on the register maintained by the Registrar.

Section 2.06 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders. If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes.

Section 2.07 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except by the Depositary to a nominee of the Depositary, by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary. All Global Notes shall be exchanged by the Company for Definitive Notes if (i) DTC (A) notifies the Company that it is unwilling or unable to continue as Depositary for the Global Notes or (B) has ceased to be a clearing agency registered under the Exchange Act, and in each case the Company fails to appoint a successor Depositary; or (ii) the Company, at its option, notifies the Trustee in writing that it elects to cause the issuance of Definitive Notes. Upon the occurrence of any of the preceding events in (i) or (ii), Definitive Notes shall be issued in such names as the Depositary shall instruct the Trustee in writing. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.11 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.07 or Section 2.08 or 2.11 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.07(a).

(b) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon written request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.07(b), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing, together with such documentation as may reasonably be required to establish that such transfer is exempt from registration under the Securities Act and applicable State statutes.

(c) Legends. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) Section 1145 Exemption Legend. Each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS NOTE HAVE BEEN ISSUED PURSUANT TO SECTION 1145 OF THE U.S. BANKRUPTCY CODE, AS AMENDED (THE "BANKRUPTCY CODE") THAT PROVIDES AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND APPLICABLE STATE STATUTES, AND MAY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, PROVIDED THAT THE HOLDER IS NOT DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE. IF THE HOLDER IS DEEMED TO BE AN UNDERWRITER AS SUCH TERM IS DEFINED IN SECTION 1145(B) OF THE BANKRUPTCY CODE, THEN THE SECURITIES REPRESENTED BY THIS NOTE MAY ONLY BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED (1) PURSUANT TO (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES THAT IS EFFECTIVE UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT RELATING TO THE DISPOSITION OF SECURITIES AND (2) IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. NO NOTE MAY BE SOLD, EXCHANGED OR OTHERWISE TRANSFERRED IN VIOLATION OF THE SECURITIES ACT OR STATE SECURITIES LAWS. ACCORDINGLY, THE COMPANY RECOMMENDS THAT POTENTIAL RECIPIENTS OF NOTES CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH NOTES."

(ii) Global Note Legend. Each Global Note shall bear a legend in substantially the following form:

THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF, AND IS NOT TRANSFERABLE TO ANY PERSON UNDER ANY CIRCUMSTANCES EXCEPT THAT (I) THE TRUSTEE MAY MAKE SUCH NOTATIONS HEREON AS MAY BE REQUIRED PURSUANT TO SECTION 2.07 OF THE INDENTURE, (II) THIS GLOBAL NOTE MAY BE EXCHANGED IN WHOLE BUT NOT IN PART PURSUANT TO SECTION 2.07(a) OF THE INDENTURE, (III) THIS GLOBAL NOTE MAY BE DELIVERED TO THE TRUSTEE FOR CANCELLATION PURSUANT TO SECTION 2.12 OF THE INDENTURE AND (IV) THIS GLOBAL NOTE MAY BE TRANSFERRED TO A SUCCESSOR DEPOSITARY WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY.

(iii) PIK Interest Legend. Each Global Note (and all Notes issued in exchange therefor or substitution thereof other than Definitive Notes) shall bear a legend in substantially the following form:

THE PRINCIPAL AMOUNT OF THIS NOTE IS SUBJECT TO INCREASE AS A RESULT OF PAYMENT OR ACCRUAL OF PIK INTEREST.

(iv) OID Legend. Each Note issued hereunder that has more than a de minimis amount of original issue discount for U.S. federal income tax purposes shall bear a legend in substantially the following form:

THE FOLLOWING INFORMATION IS SUPPLIED SOLELY FOR U.S. FEDERAL INCOME TAX PURPOSES. THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT UNDER SECTIONS 1272, 1273 AND 1275 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR THIS NOTE BY SUBMITTING A REQUEST FOR SUCH INFORMATION TO THE COMPANY AT THE FOLLOWING ADDRESS: 547 NEW PARK AVENUE, WEST HARTFORD, CONNECTICUT 06110, ATTENTION: GENERAL COUNSEL.

(d) Cancellation and/or Adjustment of Global Notes. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.12 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who shall take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(e) General Provisions Relating to Transfers and Exchanges.

(i) To permit registrations of transfers and exchanges, the Company shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order or at the Registrar's request.

(ii) No service charge shall be made to a Holder of a Global Note or a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith, and the Trustee may charge the Company a reasonable fee in connection with any such registration of transfer or exchange.

(iii) The Registrar shall not be required to register the transfer of or exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid and legally

binding obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Company shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of mailing of a notice of redemption of Notes under Section 3.03 and ending at the close of business on the day of mailing, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.02.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.07 to effect a registration of transfer or exchange may be submitted by facsimile (followed promptly by originals); provided that the Registrar may rely on such facsimile copies and has no obligation to require original copies.

(ix) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(x) Neither the Company, the Trustee nor any Agent shall have the responsibility for any actions taken or not taken by the Depositary.

(xi) Each Holder agrees to provide reasonable indemnity to the Company and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

Section 2.08 Replacement Notes.

(a) If any mutilated Note is surrendered to the Trustee, or the Company and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee to protect the Trustee and any Agent and in the judgment of the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss, liability or expense that any of them may suffer if a replaced Note is ever subsequently presented or otherwise claimed for payment. The Company may charge for its expenses in replacing a Note.

(b) Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.09 Outstanding Notes.

(a) The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.09(a) as not outstanding. Except as set forth in Section 2.10, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

(b) If a Note is replaced pursuant to Section 2.08, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser or protected purchaser.

(c) If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

(d) If the Paying Agent (other than the Company, a Subsidiary of the Company or an Affiliate of any of the foregoing) holds in trust, on a redemption date or the Maturity Date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.10 Treasury Notes. In determining whether the Holders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or by any Affiliate of the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in conclusively relying on any such direction, waiver or consent, only Notes shown on the register as being so owned shall be so disregarded. Notwithstanding the foregoing, Notes that are to be acquired by the Company or an Affiliate of the Company pursuant to an exchange offer, tender offer or other agreement shall not be deemed to be owned by such entity until legal title to such Notes passes to such entity.

Section 2.11 Temporary Notes.

(a) Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

(b) Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.12 Cancellation.

The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of canceled Notes in accordance with its customary procedures for the disposition of canceled securities in effect as of the date of such disposition (subject to the record retention requirement of the Exchange Act). Certification of the disposition of all canceled Notes shall be delivered to the Company. The Company may not issue new Notes to replace Notes that it has paid, redeemed or that have been delivered to the Trustee for cancellation.

Section 2.13 [Reserved.]

Section 2.14 CUSIP Numbers.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee in writing of any change in the "CUSIP" numbers.

Section 2.15 PIK Interest.

(a) The Company promises to pay interest on the Notes on any interest payment date by making a PIK Interest payment on such interest payment date; provided, however, that the Company shall cease to make PIK Interest payments if and to the extent it would result in there being more than $10,000,000 aggregate principal amount of Notes outstanding at any time. From and after the time, if any, that there shall be $10,000,000 aggregate principal amount of Notes outstanding under this Indenture, interest on such principal amount shall accrue without any interest on interest, PIK Interest or compounding thereof) and such accrued interest shall be payable in cash on the Maturity Date. No Default or Event of Default shall be deemed to have occurred by reason of the foregoing, and the Company shall have no obligation hereunder to pay interest in cash except on the Maturity Date.

(b) In connection with any PIK Interest payment, the Company may direct the Paying Agent in writing to make appropriate amendments to the schedule of principal amounts of the Global Notes outstanding (up to the maximum $10,000,000 aggregate principal amount of Notes outstanding). All PIK Interest accruing and payable on any Note shall be deemed capitalized and shall be added to the principal amount of the Note on each semi-annual interest payment date specified in such Note until the aggregate principal amount of Notes issued and outstanding under the Indenture is $10,000,000, in which case interest on the Notes shall continue to accrue at 8.00% per annum (without any interest on interest thereon, PIK Interest or compounding thereof) and such interest shall be payable in cash on the Maturity Date.

(c) Payment shall be made in such form and terms as specified in this Section 2.15 and the Company shall and the Paying Agent may take additional steps as is necessary to effect such payment.

ARTICLE THREE

REDEMPTION

Section 3.01 Notices to Trustee.

If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07, it shall furnish to the Trustee, at least 15 Business Days before notice of redemption is required to be mailed or caused to be mailed to Holders pursuant to Section 3.03 hereof (or such shorter period that is acceptable to the Trustee) but not more than 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02 Selection of Notes to Be Redeemed.

(a) If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed on a pro rata basis, by lot or in accordance with any other method the Trustee shall deem fair and appropriate (and in a manner that complies with applicable legal requirements). In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date, by the Trustee from the outstanding Notes not previously called for redemption.

(b) The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount at maturity thereof to be redeemed. No Notes in amounts of $200 or less shall be redeemed in part. Notes and portions of Notes selected shall be in amounts of $200 or integral multiples of $50 in excess thereof; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of $50, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

(c) If at any time less than $[ ] in aggregate principal amount of Definitive Notes are outstanding, for administrative convenience, the Company may redeem such Notes in whole but not in part.

Section 3.03 Notice of Redemption.

(a) At least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of this Indenture.

The notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price;

(iii) if any Note is being redeemed in part, the portion of the principal amount at maturity of such Note to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note shall be issued in the name of the Holder thereof upon cancellation of the original Note;

(iv) the name and address of the Paying Agent;

(v) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price and become due on the date fixed for redemption;

(vi) that, unless the Company defaults in making such redemption payment, interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date;

(vii) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(viii) the CUSIP number, or any similar number, if any, printed on the Notes being redeemed; and

(ix) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

(b) At the Company's written request, the Trustee shall give the notice of redemption in the Company's name and at its expense; provided, however, that the Company shall have delivered to the Trustee, at least 15 Business Days before the notice of redemption is required to be mailed or caused to be mailed to Holders pursuant to this Section 3.03 (or such shorter period as is acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the

preceding paragraph. The notice, if mailed in the manner provided herein, shall be presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Note shall not affect the validity of the proceeding for the redemption of any other Note.

Section 3.04 Effect of Notice of Redemption.

Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. Interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date, unless the Company defaults in making the applicable redemption payment. Any redemption notice may, at the Company's discretion, be subject to one or more conditions precedent.

Section 3.05 Deposit of Redemption Price.

(a) Not later than 12:00 p.m. (noon) Eastern Time on the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued and unpaid interest on, all Notes to be redeemed.

(b) If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption (regardless of whether certificates for such Notes are actually surrendered). If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal from the redemption date until such principal is paid and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

Section 3.06 Notes Redeemed in Part.

Upon surrender and cancellation of a Note that is redeemed in part, the Company shall issue and the Trustee shall authenticate for the Holder at the expense of the Company, a new Note equal in principal amount to the unredeemed portion of the Note surrendered. No Notes in denominations of $[ ] or less shall be redeemed in part.

Section 3.07 Optional Redemption.

(a) At any time, the Company may redeem all or a part of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed (including PIK Interest on the Notes capitalized and added to the outstanding principal amount of such Notes) plus accrued and unpaid interest to, but excluding, the redemption date.

(b) Any redemption pursuant to this Section 3.07 shall be made in accordance with the provisions of Sections 3.01 through 3.06.

Section 3.08 No Sinking Fund.

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

ARTICLE FOUR

COVENANTS

Section 4.01 Payment of Notes.

The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in this Indenture and the Notes. Principal, premium, if any, and interest due and payable in cash in accordance with this Indenture and the Notes shall be considered paid on the date due if the Paying Agent, if other than the Company or one of its Subsidiaries, holds as of 12:00 p.m. (noon) Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal and premium, if any, then due. PIK Interest shall be considered paid on the date due if the Trustee is directed on or prior to such date to issue PIK Notes or increase the principal amount of the applicable Notes, in each case in an amount equal to the amount of the applicable PIK Interest.

Section 4.02 Maintenance of Office or Agency. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 2% per annum in excess of the then applicable interest rate on the Notes to the extent lawful.

(a) The Company shall maintain in the United States, an office or agency (which may be an office of the Trustee or Registrar or agent of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

(b) The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the United States for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section 2.04 of this Indenture.

Section 4.03 Compliance Certificate.

(a) The Company and each Guarantor, if any, shall deliver to the Trustee, within 120 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company, the Guarantors and their respective Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the Company and Guarantors, if any, have kept, observed, performed and fulfilled their obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to his or her knowledge, the Company and Guarantors, if any, have kept, observed, performed and fulfilled their obligations under this Indenture and are not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company and Guarantors, if any, are taking or propose to take with respect thereto) and that to his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company and Guarantors, if any, are taking or propose to take with respect thereto.

(b) Except with respect to receipt of payments on the Notes for which it is Paying Agent and any Default or Event of Default information contained in the Officer's Certificate delivered to it pursuant to this Section 4.03, the Trustee shall have no duty to review, ascertain or confirm the Company's compliance with, or breach of, any representation, warranty or covenant made in this Indenture.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, within 30 days after any Officer becomes aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company and the Guarantors, if any, are taking or propose to take with respect thereto.

Section 4.04 Affirmative Covenants.

Each of the Company and each Guarantor covenants and agrees that, until payment in full of the Notes, it shall and shall cause each of its Subsidiaries to comply with each of the following:

(a) Financial Statements, Reports, Certificates. Deliver to the Trustee, each of the financial statements, reports, and other items set forth on Schedule 5.1(b), (c), (e) and (g) to the Third Lien Credit Agreement as in effect on the Issue Date no later than the times specified therein and any other financial statements, reports and items set for on such Schedule that are delivered pursuant to the Third Lien Credit Agreement.

(b) Other Loan Documents. Deliver to the Trustee, true, correct and complete copies of the Loan Agreements and all other material Other Loan Documents, including the schedules thereto on the Issue Date, and deliver to the Trustee any amendments, supplements or

modifications of the Loan Agreements and, to the extent material, the Other Loan Documents promptly following the effective date of any such amendment, supplement or modification.

Section 4.05 Negative Covenants. Each of the Company and each Guarantor covenants and agrees that, until payment in full of the Notes, it will not and will not permit any of its Subsidiaries to do any of the following:

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

(b) Liens. Create, incur, assume, or suffer to exist, directly or indirectly, any Lien on or with respect to any of its assets, of any kind, whether now owned or hereafter acquired, or any income or profits therefrom, except for Permitted Liens.

(c) Disposal of Assets. Convey, sell, lease, license, assign, transfer, or otherwise dispose of any assets or Equity Interests of Parent or its Subsidiaries, except for (i) Permitted Dispositions, (ii) transactions expressly permitted by Section 5.01 or Section 10.04 and (iii) with respect to Equity Interests of Parent only, transactions not constituting a Change of Control and not otherwise expressly prohibited under this Indenture.

(d) Change Name. Change the name, organizational identification number, jurisdiction of organization or organizational identity of the Company or any Guarantor to the extent any such change would require the Company or such Guarantor to take any further action not already taken to continue the Trustee's perfected security interest in the Collateral; provided, that, each of the Company and the Guarantors may change its name so long as the Company or any such Guarantor gives thirty (30) days prior written notice to the Trustee of such change.

(e) Nature of Business. Make any change in the nature of its or their business as presently conducted on the Issue Date or acquire any properties or assets that are not reasonably related to the conduct of such business activities; provided, that, the foregoing shall not be construed to prohibit Parent and its Subsidiaries from engaging in any business that is reasonably related or ancillary to its or their business.

(f) Certain Payments of Debt and Amendments.

(i) With respect to any Indebtedness of the Parent or any of its Subsidiaries that is subordinated in right of payment to the Notes or secured by a Lien on any Collateral that is junior to the Lien on such Collateral securing the Notes, make any payment, prepayment, redemption, retirement, defeasance, purchase or sinking fund payment or other acquisition for value of such Indebtedness or make any payment, prepayment, redemption, defeasance, sinking fund payment or repurchase of such Indebtedness as a result of any asset sale, change of control, issuance and sale of debt and equity securities or similar event, or give notice with respect to any of the foregoing, other than the Indebtedness hereunder or under the other Transaction Documents (including, without limitation, by way of depositing money or securities with the trustee therefor before the date required for the purpose of paying any portion of such

Indebtedness when due), or otherwise set aside or deposit or invest any sums for such purpose, except that:

(A) the Parent and its Subsidiaries may make regularly scheduled payments in respect of Indebtedness permitted under clause (b) of the definition of "Permitted Indebtedness" only in respect of letters of credit listed on Schedule [4.19] to the Third Lien Credit Agreement, and extensions of maturity or replacements of such Indebtedness in the same principal amount) or under clause (c) of the definition of "Permitted Indebtedness" as and when due in respect of such Indebtedness;

(B) the Parent and its Subsidiaries may make optional prepayments and redemptions of Indebtedness solely with the proceeds of the issuance and sale of Qualified Equity Interests of Parent that constitute Excluded Issuances (as described in clause (d) of the definition thereof); provided, that, as of the date of any such prepayment or redemption, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing;

(C) the Parent and its Subsidiaries may make optional prepayments of Permitted Intercompany Advances to the extent permitted by the Intercompany Subordination Agreement; provided that, (x) so long as on and as of the date of any such prepayment, and after giving effect thereto, no Event of Default shall exist or have occurred and be continuing and (y) unless otherwise permitted under the Third Lien Credit Agreement or agreed to in writing by the Trustee, optional prepayments by the Company or any Guarantor of Permitted Intercompany Advances owing to a Specified Note Party shall not exceed $[720,000] in an aggregate principal amount during the term of the Notes; and

(D) as to payments in respect of other Permitted Indebtedness not subject to the provisions above in this Section 4.05(f), the Parent and its Subsidiaries may make payments of regularly scheduled principal and interest or other mandatory prepayments (but in no event any voluntary prepayment) as and when due in respect of such Indebtedness in accordance with the terms thereof as of the date of incurrence (and in the case of Indebtedness that has been contractually subordinated in right of payment to the Notes or subject to an intercreditor agreement with the Trustee and the Collateral Agent solely to the extent such payment is permitted at such time under the subordination and/or intercreditor terms and conditions set forth therein or applicable thereto).

(ii) Directly or indirectly, amend, modify, or change (or permit the amendment, modification or other change in any manner of) any of the terms or provisions of:

(A) any agreements, documents or instruments in respect of any subordinated Indebtedness or any other Indebtedness that is contractually subordinated in right of payment to the Notes or subject to an intercreditor agreement with the Trustee unless made in accordance with the terms and provisions of the subordination or intercreditor agreement, as the case may be;

(B) the certificate of incorporation, memorandum and articles of association, certificate of formation, limited liability agreement, limited partnership agreement or other organizational documents of the Company or any Guarantor, except for amendments, modifications or other changes that do not (x) materially and adversely affect the rights and privileges of the Trustee or Holders under any of the Fourth Lien Note Documents, or (y) otherwise adversely affect the interests of the Trustee, the Collateral Agent or the Holders in any material respect, it being understood that any such amendment, modification or other change (I) providing for the conversion of any Equity Interest into, or the issuance of, any Disqualified Equity Interests, or (II) that would otherwise result in any holder of Equity Interests receiving any Restricted Payment in cash (other than Restricted Payments to the extent expressly permitted to be made under Section 4.05(h)) prior to the 91st day following payment in full in cash of the Fourth Lien Debt, shall be deemed to materially adversely affect the interests of Trustee, Collateral Agent and Holders; or

(C) the Management Agreements or any other agreement listed on Schedule [6.13] to the Third Lien Credit Agreement except with the prior written consent of the Required Lenders under the Third Lien Credit Agreement, and except for amendments, modifications or other changes that do not (x) adversely affect the rights and privileges of the Trustee, the Collateral Agent or Holders under Fourth Lien Note Documents in any material respect, or (y) otherwise adversely affect the interests of the Trustee, the Collateral Agent or the Holders in any material respect.

(iii) Pay any management fees other than those pursuant to the Management Agreements in form and substance acceptable to the Required Lenders under the Third Lien Credit Agreement (or as otherwise modified to the extent permitted by Section 4.05(f)(ii)(C)) and in an amount not exceeding $[1,000,000] in the aggregate per year; provided, however, that (a) cash payments on account of such fees may commence no earlier than the third fiscal quarter of 2017 (and for the 2017 fiscal year, be limited to $[700,000]), (b) the aggregate amount of such fees otherwise payable in cash for the 2016 fiscal year and the first six (6) months of 2017 that have accrued, may be paid in cash in monthly installments of up to $[87,500] per month commencing with the first month of the third fiscal quarter of 2017 until paid in full (or for so long as cash payments are permitted hereunder, whichever is earlier), (c) no cash payments shall be permitted at any time after the occurrence and during the continuance of any Default or Event of Default and (d) payments of such fees to any person also entitled to board fee payments shall be reduced by the amount of such board fee payments (it being understood that the foregoing limitation on payment of management fees shall not preclude the payment by the Parent and its Subsidiaries of customary board fees of up to $[70,000] for insider board members and such other customary amounts for non-insider independent board members and such amounts shall not reduce management fees otherwise permitted to be paid pursuant to this Section 4.05(f)(iii)).

(g) Change of Control. Cause, permit, or suffer, directly or indirectly, any Change of Control.

(h) Restricted Payments. Declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(1) Parent and each Subsidiary may declare and make dividend payments or other distributions payable in the Equity Interests of such Person (other than Disqualified Equity Interests) subject, as applicable, to the pledge requirements set forth in the applicable Security Documents and so long as the payment thereof would not result in an Event of Default;

(2) any Subsidiary of Parent may pay or make distributions to Parent that are used to make substantially contemporaneous payments to, and Parent may make payments to, repurchase or redeem Equity Interests and options to purchase Equity Interests of Parent held by officers, non-insider directors or employees or former officers, non-insider directors or employees (or their transferees, estates or beneficiaries under their estates) of Parent pursuant to any management equity subscription agreement, employee agreement or stock option agreement or other agreement with such officer, director or employee or former officer, director or employee; provided, that, (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (ii) the aggregate cash consideration paid for all such payments, repurchases or redemptions shall not in any fiscal year of Parent exceed $[180,000];

(3) Parent may pay management fees to the extent permitted under Section 4.05(f);

(4) Parent may repurchase its Equity Interests to the extent such repurchase is deemed to occur upon (i) the noncash exercise of stock options to the extent such Equity Interests represents a portion of the exercise price of such options and (ii) the withholding of a portion of such Equity Interests to pay taxes associated therewith, and the purchase of fractional shares of Equity Interests of Parent or any Subsidiary arising out of stock dividends, splits or combinations or business combinations;

(5) any Subsidiary of Parent may pay dividends or other distributions to the Company and any Guarantor (including, without limitation, distributions to the Company and any Guarantor upon the reduction of capital (by whatsoever name called, including paid in capital, paid up capital or stated capital) of such Subsidiary); and

(6) other Restricted Payments in an aggregate amount not to exceed $[36,000].

(i) Investments. Directly or indirectly, make or acquire any Investment or incur any liabilities (including contingent obligations) for or in connection with any Investment, except for Permitted Investments.

(j) Transactions with Affiliates. Directly or indirectly, enter into or permit to exist any transaction or agreement with any Affiliate (including, without limitation, any transaction or agreement to purchase, acquire or lease any property from, or sell, transfer or lease

any property to, any officer, director or other Affiliates of Parent or any of its Subsidiaries), except for:

(1) any employment or compensation arrangement or agreement, employee benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into by Parent or any of its Subsidiaries in the ordinary course of business and payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of Parent or such Subsidiary, provided, that, such transactions are not otherwise prohibited by this Indenture;

(2) transactions exclusively between the Company and any Guarantor or between Guarantors; provided, that, such transactions are not otherwise prohibited by this Indenture;

(3) transactions permitted under (x) Sections 4.05(f), 4.05(h), 4.05(k), 5.01 or 10.04 hereof or (y) clause (k), (l), (m) or (r) of the definition of Permitted Indebtedness or any Permitted Lien related to the foregoing;

(4) the West Hartford Lease, the Senior Loan Documents, the Term Loan Documents, the Fourth Lien Note Documents and any other agreement as in effect as of the Closing Date and listed on Schedule 6.13 to the Third Lien Credit Agreement, as each such agreement may be amended, modified, supplemented, extended, replaced, refinanced or renewed from time to time, subject, in the case of any such agreement governing Indebtedness, to Section 4.05(f)(ii)

(5) the payment of reasonable and customary (i) fees and reasonable out of pocket expenses paid to directors and (ii) indemnities provided on behalf of, the directors of Parent or any Subsidiary;

(6) payments under the Management Agreements in compliance with this Indenture and other transactions pursuant to the Management Agreements as in effect from time to time; and

(7) other transactions; provided, that (i) any such transaction is in compliance with the terms of this Indenture and (ii) any such transaction is on terms that are no less favorable in any material respect to Parent or the relevant Subsidiary than those that could have been obtained at the time of such transactions in a comparable transaction by Parent or such Subsidiary with an unrelated person, as determined by the independent members of the Parent's Board of Directors.

(k) Limitation on Issuance of Equity Interests. Except for the issuance or sale of Qualified Equity Interests of Parent, the issuance and sale of Equity Interests of Parent on the Issue Date as contemplated by the Plan of Reorganization and the issuances or sales of Equity Interests by the Company, any Guarantor or any of their respective Subsidiaries to the Company

or any Guarantor, issue or sell or enter into any agreement or arrangement for the issuance or sale of any of its Equity Interests.

(l) Sale Leaseback Transactions. Create, incur or suffer to exist, or permit any of its Subsidiaries to create, incur or suffer to exist, any obligations as lessee for the payment of rent for any real or personal property in connection with any sale and leaseback transaction, except in connection with any such transaction permitted by Section 4.05(c).

(m) Limitations on Dividends and Other Payment Restrictions Affecting Subsidiaries. Create or otherwise cause, incur, assume, suffer or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary of the Company or any Guarantor (a) to pay dividends or to make any other distribution on any shares of Equity Interests of such Subsidiary owned by the Company or any Guarantor or any of its respective Subsidiaries, except for those expressly contemplated by Schedule [6.18] to the Third Lien Credit Agreement (as such Schedule may be supplemented or otherwise modified in accordance with the Third Lien Credit Agreement), (b) to pay or prepay or to subordinate any Indebtedness owed to the Company or any Guarantor or any of its respective Subsidiaries, (c) to make loans or advances to the Company or any Guarantor or any of its respective Subsidiaries or (d) to transfer any of its property or assets to the Company or any Guarantor or any of its respective Subsidiaries, or permit any of its Subsidiaries to do any of the foregoing; provided, however, that nothing in any of clauses (a) through (d) of this Section 4.05(m) shall prohibit or restrict compliance with:

(i) the Senior Loan Agreement and the other Senior Loan Documents;

(ii) the Term Loan Agreement and the other Term Loan Documents;

(iii) the Third Lien Credit Agreement and the other Third Lien Loan Documents;

(iv) this Indenture and the other Fourth Lien Note Documents;

(v) any applicable law, rule or regulation (including, without limitation, applicable currency control laws and applicable state corporate statutes restricting the payment of dividends in certain circumstances);

(vi) in the case of clause (d), customary restrictions on the subletting, assignment or transfer of any specified property or asset set forth in a lease, license, asset sale agreement or similar contract for the conveyance of such property or asset;

(vii) in the case of clause (d), any agreement, instrument or other document evidencing a Permitted Lien (or the Indebtedness secured thereby) with respect to restrictions that apply only to any property or assets subject thereto; or

(viii) restrictions imposed by any agreement relating to any other Indebtedness permitted by Section 4.05(a) of this Indenture; provided that any such restrictions or conditions are no more restrictive in any material respect on the Company,

the Guarantors and their respective Subsidiaries than the terms of the Senior Loan Documents as in effect on the Issue Date.

(n) Limitations on Negative Pledges. Enter into, incur or permit to exist, or permit any Subsidiary to enter into, incur or permit to exist, directly or indirectly, any agreement, instrument, deed, lease or other arrangement that prohibits, restricts or imposes any condition upon the ability of the Company or any Guarantor or any Subsidiary of the Company or any Guarantor to create, incur or permit to exist any Lien upon any of its property or revenues, whether now owned or hereafter acquired, to secure the Fourth Lien Debt or that requires the grant of any security for an obligation if security is granted for another obligation (unless such security is also granted to secure the Notes), except the following: (a) the Senior Loan Agreement and the other Senior Loan Documents, (b) the Term Loan Agreement and the other Term Loan Documents, (c) the Third Lien Credit Agreement and the other Third Lien Loan Documents, (d) this Indenture and the other Fourth Lien Note Documents, (e) restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by Section 4.05(a) this Indenture if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (f) any customary restrictions and conditions contained in agreements relating to the sale or other disposition of assets or of a Subsidiary pending such sale or other disposition; provided that such restrictions and conditions apply only to the assets or Subsidiary to be sold or disposed of and such sale or disposition is permitted hereunder and (g) customary provisions in leases restricting the assignment or sublet thereof.

(o) Employee Benefits.

(i) Terminate, or permit any ERISA Affiliate to terminate, any Pension Plan in a manner, or take any other action with respect to any Pension Plan, which could reasonably be expected to result in a Material Adverse Change.

(ii) Fail to make, or permit any ERISA Affiliate to fail to make, full payment when due of all amounts which, under the provisions of any Pension Plan, agreement relating thereto or applicable law, any Company, any Guarantor or ERISA Affiliate is required to pay if such failure could reasonably be expected to result in a Material Adverse Change.

(iii) Permit to occur, or allow any ERISA Affiliate to permit to occur, any failure to satisfy the minimum funding standards under section 302 of ERISA or section 412 of the Code, whether or not waived, with respect to any Pension Plan which exceeds $[1,440,000] with respect to all Pension Plans in the aggregate.

(iv) Except as could not reasonably be expected to result in a Material Adverse Change, acquire, or permit any ERISA Affiliate to acquire, an interest in any Person that causes such Person to become an ERISA Affiliate with respect to the Company or a Guarantor or with respect to any ERISA Affiliate if such Person sponsors, maintains or contributes to, or at any time in the six (6) year period preceding such acquisition has sponsored, maintained, or contributed to, (i) any Pension Plan or (ii) any Multiemployer Plan.

(v) Amend, or permit any ERISA Affiliate to amend, a Pension Plan resulting in a material increase in current liability such that the Company, Guarantor, or ERISA Affiliate, as applicable, is required to provide any material amount of security to such Pension Plan under the Code.

Section 4.06 Future Guarantees.

(a) The Company shall cause each Subsidiary that becomes a guarantor under the Term Loan Agreement, the Senior Loan Agreement or the Third Lien Credit Agreement following the Issue Date to execute and deliver to the Trustee a supplemental indenture substantially in the form of Exhibit B hereto pursuant to which such Subsidiary shall unconditionally Guarantee the full and prompt payment of the principal of, premium, if any, and interest in respect of the Notes and all other Fourth Lien Debt.

(b) The obligations of each Guarantor shall be limited to the extent provided in Section 10.02 hereof.

(c) Each Subsidiary that becomes a Guarantor on or after the Issue Date shall also become a party to the applicable Security Documents and the Intercreditor Agreement and, to the extent required by the Security Documents, shall as promptly as practicable execute and deliver such security instruments, financing statements and certificates as may be necessary to vest in the Collateral Agent a fourth priority security interest (subject to Permitted Liens) on properties and assets that constitute Collateral as security for the Notes or the Guarantees and as may be necessary to have such property or asset added to the applicable Collateral to the extent required under the Security Documents and the Indenture (subject to any limitations contained in the Intercreditor Agreement), and thereupon all provisions of the Indenture relating to the Collateral shall be deemed to relate to such properties and assets to the same extent and with the same force and effect.

(d) Notwithstanding anything herein to the contrary, no Guarantee, security interest or other action shall be required pursuant to this Section 4.06 to the extent not required to be in effect or taken pursuant to the last paragraph of Section 11.02.

ARTICLE FIVE

SUCCESSORS

Section 5.01 Merger, Consolidation or Sale of Assets.

The Company and the Guarantors shall not, nor shall they permit any Subsidiary, directly or indirectly to:

(a) Enter into any merger, amalgamation, consolidation, reorganization, or recapitalization, or reclassify its Equity Interests except for mergers, consolidations and amalgamations (i) between or among any of the Company and any Guarantors incorporated or organized in the US, provided that, if the Company is party thereto, the Company is the surviving or continuing entity of such merger, amalgamation or consolidation, (ii) between Guarantors incorporated or organized in Canada, (iii) between Guarantors incorporated or

organized in the Netherlands, on the one hand, and the Company or any other Guarantor, on the other hand, provided that, (x) if the Company is party thereto, the Company is the surviving or continuing entity of such merger, amalgamation or consolidation and (y) if any U.S. or Canadian Guarantor is party thereto, such Guarantor is the surviving or continuing entity of such merger, amalgamation or consolidation and (iv) between Subsidiaries of Parent which are not the Company or a Guarantor, so long as the surviving entity is or becomes a Guarantor upon such merger, amalgamation or consolidation (to the extent required by Section 4.06) and is in compliance with the obligations under Section 4.06. The Company shall deliver to the Trustee documents confirming compliance with this Section 5.01(a) within five (5) Business Days of such merger, amalgamation, consolidation, reorganization, recapitalization or reclassification.

(b) Liquidate, wind up, or dissolve itself (or suffer any liquidation or dissolution), except for the winding up, liquidation or dissolution of a Guarantor or any Subsidiary thereof (other than the Company) or any of the Parent's wholly-owned Subsidiaries (other than any the Company) so long as all of the assets, other than up to $10,000 in cash in the case of the Dutch Guarantor (including any interest in any Equity Interests) of such liquidating or dissolving Guarantor or Subsidiary are transferred to the Company or to a Guarantor that is not liquidating or dissolving, and is organized under US law (or organized under laws of the same jurisdiction as the such liquidating or dissolving Guarantor or Subsidiary), it being understood that the winding up, liquidation, or dissolution of a Subsidiary organized in the Netherlands shall be permitted if all of the assets (including any interest in any Equity Interests) of such Subsidiary are transferred to the Company or any other Guarantor.

(c) Suspend or terminate all or a substantial portion of its or their business, except as permitted pursuant to clause (a) or (b) above or in connection with the transactions permitted pursuant to Section 4.05(c).

Section 5.02 Successor Corporation Substituted.

Upon any consolidation or merger, or any sale, assignment, transfer, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor Person formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, conveyance or other disposition, the provisions of this Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of, the Company under the Indenture with the same effect as if such successor Person had been named as the Company in this Indenture.

ARTICLE SIX

DEFAULTS AND REMEDIES

Section 6.01 Events of Default.

Each of the following is an "Event of Default":

(i) default for 30 days in the payment when due in cash of interest on the Notes ;

(ii) default in payment when due (whether at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(iii) a Specified Event of Default has occurred and is continuing for a period of thirty (30) consecutive days;

(iv) failure by the Company or any Guarantor for 60 consecutive days after written notice given by the Trustee or the Holders of not less than 25% in principal amount of the Notes then outstanding to comply with any of the covenants in this Indenture or in any other Fourth Lien Note Document;

(v) any default under any of the Senior Loan Documents, the Term Loan Documents or the Third Lien Loan Documents, or under any other mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness by the Company, the Guarantor or any of their respective Subsidiaries (or the payment of which is Guaranteed by the Company, and Guarantor or any of their respective Subsidiaries) whether such Indebtedness or Guarantee now exists, or is created after the Issue Date, if that default:

(A) is caused by a failure to make any principal payment when due at the final maturity of such Indebtedness and prior to the expiration of any grace period provided in such Indebtedness on the date of such default (a "Payment Default"); or

(B) results in the acceleration of such Indebtedness prior to its express maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates $[1,400,000] or more;

(vi) failure by the Company, any Guarantor or any of their respective Subsidiaries to pay final judgments entered against the Company, such Guarantor or Subsidiary for the payment of money (to the extent such judgments are not paid or covered by insurance provided by a reputable carrier that has not denied coverage) aggregating in excess of $[1,400,000], which judgments are not paid, discharged or stayed for a period of 60 days;

(vii) the obligation of any Guarantor under the applicable Guaranty ceases to be in full force and effect, or is declared null and void, or any responsible officer of any Guarantor denies in writing that such Guarantor has any further liability under its Guaranty or gives written notice to such effect, in each case, other than (1) in accordance with the terms of any applicable Guaranty, this Indenture or the Intercreditor

Agreement or (2) in connection with the satisfaction in full of all obligations under this Indenture and discharge of the Indenture;

(viii) the Company, any Guarantor or any Significant Subsidiary of the Company or any Guarantor, pursuant to or within the meaning of Bankruptcy Law:

(A) commences a voluntary case,

(B) consents to the entry of an order for relief against it in an involuntary case,

(C) makes a general assignment for the benefit of its creditors, or

(D) generally is not paying its debts as they become due.

(ix) court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against the Company, any Guarantor or any Significant Subsidiary of the Company or any Guarantor, in an involuntary case; or

(B) appoints a custodian of the Company, any Guarantor or any Significant Subsidiary of the Company or any Guarantor or for all or substantially all of the property of the Company, any Guarantor or any Significant Subsidiary of the Company or any Guarantor; or

(C) orders the liquidation of the Company, or, except as permitted by Section 5.01 or Section 10.4, any Guarantor or Significant Subsidiary of the Company or any Guarantor;

and the order or decree remains unstayed and in effect for 60 consecutive days.

(x) with respect to any Collateral having a fair market value in excess of $[1,400,000], individually or in the aggregate, (A) the failure of the security interest with respect to such Collateral under the Security Documents, at any time, to be in full force and effect for any reason, provided that if such failure under this subclause (A) is susceptible of cure, no Event of Default shall arise under this subclause (A) unless such failure continues for [60] consecutive days, or (B) if any Security Document shall, for any reason, fail or cease to create a valid and perfected and, except to the extent permitted expressly herein or in the Intercreditor Agreement, fourth priority Lien on substantially all of the Loan Parties' assets (with exclusions only to the extent expressly set forth herein or in the Security Documents), except as a result of a disposition of the applicable Collateral in a transaction permitted under this Indenture, or (C) the assertion by the Company or any Guarantor, in writing or any pleading in any court of competent jurisdiction, that any such security interest or Security Document is invalid or unenforceable for any reason, in any case of subclause (A), (B) or (C), other than (1) in accordance with the terms of any applicable Security Document, this Indenture or the

Intercreditor Agreement or (2) the satisfaction in full of all obligations under this Indenture and discharge of the Indenture.

Section 6.02 Acceleration.

(a) In the case of an Event of Default specified in clause 6.01(viii) or (ix) with respect to the Company, all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default.

(b) In the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in Section 6.01(v), the declaration of acceleration of the Notes shall be automatically annulled if the holders of all Indebtedness described in Section 6.01(v) have rescinded the declaration of acceleration in respect of such Indebtedness within 30 Business Days of the date of such declaration, and if the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction, and all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Section 6.03 Other Remedies.

(a) If an Event of Default occurs and is continuing, the Trustee and/or the Collateral Agent may pursue any available contractual remedy under this Indenture by proceeding at law or in equity to collect the payment of principal, premium, if any, and interest, with respect to the Notes or to enforce the performance of any provision of the Notes, this Indenture (including sums owed to the Trustee and Collateral Agent and their agents and counsel), the Guarantees, the Security Documents, the Intercreditor Agreement or any other Fourth Lien Note Document.

(b) The Trustee and/or the Collateral Agent may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee, the Collateral Agent or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04 Waiver of Past Defaults.

Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences hereunder except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes.

In case of any such waiver, the Company, the Trustee and the Holders shall be restored to their former positions and rights hereunder and under the Notes, respectively. Upon any such

waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05 Control by Majority.

Subject to the terms of the Intercreditor Agreement and the Security Documents, the Holders of a majority in aggregate principal amount of the then outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or the Collateral Agent pursuant to this Indenture or exercising any trust or power conferred on the Trustee or the Collateral Agent pursuant to this Indenture. However, the Trustee and the Collateral Agent may refuse to follow any direction that conflicts with law, this Indenture, the Intercreditor Agreement or the Security Documents that may involve the Trustee or the Collateral Agent in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders.

Section 6.06 Limitation on Suits.

(a) A Holder may not pursue any remedy with respect to this Indenture or the Notes unless:

(i) the Holder gives the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(iii) such Holder or Holders offer the Trustee indemnity satisfactory to the Trustee against any costs, liability or expense;

(iv) the Trustee does not comply with the request within 60 days after receipt of the request and the offer of indemnity; and

(v) during such 60-day period, the Holders of a majority in aggregate principal amount of the then outstanding Notes do not give the Trustee a direction that is inconsistent with the request.

Notwithstanding the foregoing, in no event may any Holder enforce any Lien of the Collateral Agent pursuant to the Security Documents.

(b) A Holder may not use this Indenture to affect, disturb or prejudice the rights of another Holder or to obtain a preference or priority over another Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holder).

Section 6.07 Rights of Holders of Notes to Receive Payment.

Notwithstanding any other provision of this Indenture, the contractual right expressly set forth in this Indenture of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, shall not be amended without the consent of the Holders.

Section 6.08 Collection Suit by Trustee.

If an Event of Default specified in Section 6.01(i) or (ii) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company and any Guarantor for the whole amount of principal of, premium, if any, interest, remaining unpaid on the Notes and interest on overdue principal and premium, if any, and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent and their agents and counsel) and the Holders allowed in any judicial proceedings relative to the Company or the Guarantors, if any (or any other obligor upon the Notes), its creditors or its property, unless prohibited by law or applicable regulations, and shall be entitled and empowered to collect, receive and distribute any money or other securities or property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent, their agents and counsel, and any other amounts due the Trustee and the Collateral Agent under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, the Collateral Agent, their respective agents and counsel and any other amounts due the Trustee or the Collateral Agent under Section 7.07 out of the estate in any such proceeding shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10 Priorities.

(a) Subject to the terms of the Intercreditor Agreement, the Trustee shall pay out any money or property received by it, whether pursuant to the foreclosure or other remedial provisions contained in the Security Documents or otherwise, in the following order:

First: to the Trustee, the Collateral Agent and their agents and attorneys for amounts due under Section 7.07 and the Security Documents, including payment of all reasonable compensation, expense and liabilities incurred, and all advances made, by the Trustee and the Collateral Agent and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct.

(b) The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee or the Collateral Agent for any action taken or omitted by it as a Trustee or the Collateral Agent, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by the Company or a Guarantor, a suit by a Holder pursuant to Section 6.07 hereof, or a suit by Holders of more than ten percent in principal amount of the then outstanding Notes.

ARTICLE SEVEN

TRUSTEE AND COLLATERAL AGENT

Section 7.01 Duties of Trustee and Collateral Agent.

(a) If an Event of Default has occurred and is continuing, the Trustee and the Collateral Agent shall exercise such of the rights and powers vested in them by this Indenture, the Security Documents, the Intercreditor Agreement and the other Fourth Lien Note Documents and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee and the Collateral Agent shall be determined solely by the express provisions of this Indenture, the Security Documents, the Intercreditor Agreement and the other Fourth Lien Note Documents, and the Trustee and the Collateral Agent need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into

this Indenture, any Security Documents, the Intercreditor Agreement and the other Fourth Lien Note Documents against the Trustee or the Collateral Agent; and

(ii) in the absence of bad faith on its part, the Trustee and the Collateral Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee or the Collateral Agent and conforming to the requirements of this Indenture. However, in the case of any certificates or opinions required to be delivered hereunder, the Trustee and the Collateral Agent shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee and the Collateral Agent may not be relieved from liabilities for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee and the Collateral Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee and the Collateral Agent shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) No provision of this Indenture, the Notes, the Guarantees, the Security Documents or the Intercreditor Agreement shall require the Trustee or the Collateral Agent to expend or risk its own funds or incur any financial liability if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability is not reasonable assured to it. The Trustee and the Collateral Agent shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, costs, liability or expense that might be incurred by it or the Collateral Agent in connection with the request or direction.

(f) Money held in trust by the Trustee or the Collateral Agent need not be segregated from other funds except to the extent required by law.

Section 7.02 Certain Rights of Trustee.

(a) The Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any document reasonably believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture, unless the Trustee's conduct constitutes willful misconduct or gross negligence.

(e) The Collateral Agent shall not have any fiduciary or other implied duties of any kind or nature to any person, regardless of whether a Default or an Event of Default has occurred and is continuing.

(f) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(g) The Trustee and the Collateral Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that might be incurred by it and/or the Collateral Agent in compliance with such request or direction.

(h) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of such event is sent to the Trustee in accordance with Section 13.01, and such notice references the Notes.

(i) In no event shall the Trustee or the Collateral Agent be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee or the Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, the Collateral Agent, and each agent, custodian and other Person employed to act hereunder.

(k) The Trustee may request that the Company deliver a certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture.

(l) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(m) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as duties.

Section 7.03 Individual Rights of Trustee and Collateral Agent.

Each of the Trustee and the Collateral Agent in its individual or any other capacity may become the owner or pledgee of Notes and may become a creditor of, or otherwise deal with, the Company or any of its Affiliates with the same rights it would have if it were not Trustee or Collateral Agent, as applicable. However, in the event that the Trustee acquires any conflicting interest as defined in the Trust Indenture Act of 1939, as amended, sec. 310(b), it must eliminate such conflict within 90 days, apply to the Commission for permission to continue as trustee or resign. Any Agent may do the same with like rights and duties. Each of the Trustee and Collateral Agent is also subject to Sections 7.10 and 7.11.

Section 7.04 Disclaimer.

Neither the Trustee nor the Collateral Agent (a) shall be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes, the Guarantees, the Security Documents or the Intercreditor Agreement; (b) shall be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture; (c) shall be responsible for the use or application of any money received by any Paying Agent other than the Trustee; or (d) shall be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the issuance of the Notes or pursuant to this Indenture.

Section 7.05 Notice of Defaults.

If a Default or Event of Default occurs and is continuing and if it is known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders, with a copy to the Collateral Agent, a notice of the Default or Event of Default within 90 days after the Trustee obtains actual knowledge of such Default or Event of Default. Except in the case of a Default or Event of Default relating to the payment of principal or interest on any Note for which it is the Paying Agent, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders.

Section 7.06 [Reserved].

Section 7.07 Compensation and Indemnity.

(a) The Company shall pay to the Trustee and the Collateral Agent from time to time reasonable compensation for its acceptance of this Indenture and services hereunder in accordance with a written schedule provided by the Trustee to the Company. The Trustee's compensation and the Collateral Agent's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee and the Collateral Agent promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the agents and counsel of the Trustee and the Collateral Agent.

(b) The Company and the Guarantors, if any, shall indemnify each of the Trustee and the Collateral Agent, its officers, directors, agents and employees against any and all losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company and the Guarantors, if any (including this Section 7.07), and defending itself against any claim (whether asserted by the Company or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, and under the Notes, the Guarantees, the Security Documents, the Intercreditor Agreement or the other Fourth Lien Note Documents, except to the extent any such loss, liability or expense may be attributable to its gross negligence, bad faith or willful misconduct. The Trustee and the Collateral Agent shall notify the Company and the Guarantors, if any, promptly of any claim for which it may seek indemnity. Failure by the Trustee or the Collateral Agent to so notify the Company shall not relieve the Company of its obligations hereunder unless the failure to notify the Company impairs the Company's ability to defend such claim. The Company shall defend the claim and the Trustee and the Collateral Agent shall provide reasonable cooperation, at the Company's sole expense, in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, such consent not to be unreasonably withheld or delayed. The indemnity contained herein shall survive the resignation or removal of the Trustee or the Collateral Agent and the termination of this Indenture or the Security Documents.

(c) The obligations of the Company and the Guarantors, if any, under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and resignation or removal of the Trustee.

(d) To secure the Company's payment obligations in this Section 7.07, the Collateral Agent and the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Collateral Agent and the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee or the Collateral Agent. The Trustee's right to receive payment of any amount due under this Section 7.07 shall not be subordinated to any other liability or Indebtedness of the Company or any Guarantor.

(e) When the Trustee or Collateral Agent incurs expenses or renders services after an Event of Default specified in Section 6.01(viii) and (ix) hereof occurs, the expenses and

the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

Section 7.08 Replacement of Trustee.

(a) A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.08.

(b) The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(iii) a custodian or public officer takes charge of the Trustee or its property; or

(iv) the Trustee becomes incapable of acting.

(c) If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

(d) If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.10, such Holder may, at the expense of the Company, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided that all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07. Notwithstanding replacement of

the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

Section 7.09 Successor Trustee/Collateral Agent by Merger, Etc.

If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Trustee. If the Collateral Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Collateral Agent.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture, any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; provided that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Notes in the name of any predecessor Trustee shall only apply to its successor or successors by merger, consolidation or conversion.

Section 7.10 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust powers, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition.

Section 7.11 Preferential Collection of Claims Against Company

The Trustee and the Collateral Agent hereby waive any right to set off any claim that it may have against the Company in any capacity (other than as Trustee and Paying Agent) against any of the assets of the Company held by the Trustee or the Collateral Agent; provided, however, that if the Trustee or the Collateral Agent is or becomes a lender of any other Indebtedness permitted hereunder to be pari passu with the Notes, then such waiver shall not apply to the extent of such Indebtedness.

ARTICLE EIGHT

DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01 Option to Effect Legal Defeasance or Covenant Defeasance.

The Company may, at the option of their Boards of Directors evidenced by a resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article Eight.

Section 8.02 Legal Defeasance and Discharge.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its Obligations with respect to all outstanding Notes and all Obligations of the Guarantors shall be deemed to have been discharged with respect to their Obligations under any Guarantees of the Notes on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes and the Guarantees of the Notes, respectively, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all of their other Obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.04, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest if any, on such Notes when such payments are due, (b) the Company's obligations with respect to such Notes under Sections 2.08 and 2.11 and the Company's obligations under Section 4.02, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's and the Guarantors' obligations in connection therewith, including, without limitation, as set forth in Article 7 hereof, and (d) this Article Eight. Subject to compliance with this Article Eight, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of their option under Section 8.03 hereof.

Section 8.03 Covenant Defeasance.

Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company and the Guarantors, if any, shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from their obligations under the covenants contained in Sections 4.03, 4.04, 4.05, 4.06, and 10.04 with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Company and the Guarantors, if any, may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(iv) through (vii) and (x) shall not constitute Events of Default.

Section 8.04 Conditions to Legal or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.02 or 8.03 to the outstanding Notes:

(i) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders of the Notes, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, or interest and premium, if any, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(ii) in the case of Legal Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel stating that (a) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (b) since the Issue Date, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall state that, the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(iii) in the case of Covenant Defeasance, the Company shall have delivered to the Trustee an Opinion of Counsel stating that the Holders of the outstanding Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(iv) no Default or Event of Default shall have occurred and be continuing either: (a) on the date of such deposit; or (b) insofar as Events of Default from bankruptcy or insolvency events are concerned, at any time in the period ending on the 91st day after the date of deposit;

(v) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under any material agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound, including, without limitation, the Loan Agreements and the Intercreditor Agreement;

(vi) the Company must have delivered to the Trustee an Opinion of Counsel stating that, assuming no intervening bankruptcy of the Company or any Guarantor between the date of deposit and the 91st day following the deposit and assuming that no Holder is an "insider" of the Company under applicable bankruptcy law, after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws affecting

creditors' rights generally, including Section 547 of the Bankruptcy Code, and Section 15 of the New York Debtor and Creditor Law;

(vii) the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others;

(viii) if the Notes are to be redeemed prior to their Stated Maturity, the Company must deliver to the Trustee irrevocable instructions to redeem all of the Notes on the specified redemption date; and

(ix) the Company must deliver to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent (other than the expiration of the 91-day period referred to in Section 8.04(vi) or the expiration of the 91-day period referred to in Section 8.04(a)(iv)(b)) relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Notwithstanding the foregoing, the requirements of clause (ii) above with respect to a Legal Defeasance need not be complied with if all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable on the Maturity Date within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.

Section 8.05 Deposited Money and Government Securities To Be Held in Trust; Other Miscellaneous Provisions.

(a) Subject to Section 8.06, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest but such money need not be segregated from other funds except to the extent required by law.

(b) The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

(c) Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04), are in excess of the amount thereof that would

then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06 Repayment to the Company.

The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money, Government Securities or securities held by them upon payment of all the obligations under this Indenture.

Subject to any applicable abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest, on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its written request or (if then held by the Company) shall be discharged from such trust, and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the reasonable expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such then remaining shall be repaid to the Company.

Section 8.07 Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's and the Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of their obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent as a result of such deposit.

ARTICLE NINE

AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01 Without Consent of Holders of Notes.

(a) Notwithstanding Section 9.02, the Company, the Guarantors, if any, the Trustee and the Collateral Agent may amend or supplement this Indenture, the Notes, the Guarantees, the Security Documents and the Intercreditor Agreement without the consent of any Holder of a Note:

(i) to cure any ambiguity, defect or inconsistency;

(ii) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(iii) to provide for the assumption of any of the Company's or any Guarantor's obligations to Holders in the case of a merger or consolidation or sale of all or substantially all of the Company's or such Guarantor's assets;

(iv) to make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under this Indenture of any such Holder;

(v) to evidence and provide for the acceptance of appointment by a successor Trustee or successor Collateral Agent;

(vi) to increase the principal amount of Notes issued on the Issue Date and/or provide for the issuance of PIK Notes in accordance with this Indenture;

(vii) to add additional assets as Collateral to secure the Notes and Guarantees;

(viii) to reflect any change required under Section 1.02 of this Indenture;

(ix) to amend the Intercreditor Agreement to add additional Authorized representatives for lenders holding obligations under the Other Loan Documents permitted under the Indenture, the Security Documents, the Intercreditor Agreement and any related agreements then in effect;

(x) to conform the text of the Indenture, the Notes, the Guarantees, the Security Documents or the Intercreditor Agreement to any provision of the "Debtors' Second Amended Joint Plan of Reorganization" to the extent that such provision in the Indenture, the Notes, the Guarantees, the Security Documents or the Intercreditor Agreement does not conform to such "Debtors' Second Amended Joint Plan of Reorganization";

(xi) to comply with any requirement of the Securities and Exchange Commission in connection with any required qualification of this Indenture under the Trust Indenture Act of 1939, as amended; or

(xii) to make any amendment to the provisions of this Indenture relating to the transfer and legending of the Notes as permitted by this Indenture, including, without limitation to facilitate the issuance and administration of the Notes; provided, however, that (A) compliance with this Indenture as so amended would not result in the Notes being transferred in violation of the Securities Act of 1933, as amended, or any applicable securities law and (B) such amendment does not materially and adversely affect the rights of Holders to transfer Notes.

Upon the request of the Company accompanied by a Board Resolution authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of any documents requested under Section 7.02(b) hereof, the Trustee and/or the Collateral Agent, as applicable, at the sole expense of the Company, shall join with the Company in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but neither the Trustee nor the Collateral Agent shall be obligated to enter into such amended or supplemental Indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02 With Consent of Holders of Notes.

(a) Except as otherwise provided in this Section 9.02, the Company, the Guarantor, if any, the Trustee and the Collateral Agent may amend or supplement this Indenture, the Notes, the Guarantees, the Security Documents, the Intercreditor Agreement and the other Fourth Lien Note Documents with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and, subject to Sections 6.04 and 6.07, any existing Default or Event of Default or compliance with any provision of this Indenture, the Notes, the Intercreditor Agreement, the Security Documents or the other Fourth Lien Note Documents may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

(b) The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Persons entitled to consent to any supplemental indenture or amendment hereto. If a record date is fixed, the Holders on such record date, or its duly designated proxies, and only such Persons, shall be entitled to consent to such supplemental indenture or amendment, whether or not such Holders remain Holders after such record date; provided that unless such consent shall have become effective by virtue of the requisite percentage having been obtained prior to the date which is 90 days after such record date, any such consent previously given shall automatically and without further action by any Holder be cancelled and of no further effect.

(c) Upon the request of the Company accompanied by resolutions of its Board of Directors authorizing the execution of any such amendment or supplement to this Indenture, and upon the delivery to the Trustee of evidence of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02(b), the Trustee and the Collateral Agent shall join with the Company in the execution of such amendment or supplement unless such amendment or supplement directly affects the rights, duties or immunities under this Indenture or otherwise of the Trustee or the Collateral Agent, in which case the Trustee and the Collateral Agent may in its discretion, but shall not be obligated to, enter into such amendment or supplement.

(d) It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

(e) After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amendment, supplement or waiver.

(f) Subject to Sections 6.04 and 6.07, the Holders of a majority in aggregate principal amount of the then outstanding Notes may waive compliance in a particular instance by the Company with any provision of this Indenture, or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(i) reduce the percentage of principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(ii) reduce the principal of or extend the fixed maturity of any Note or change the optional redemption dates or optional redemption prices of the Notes from those stated in Section 3.07;

(iii) reduce the rate of or extend the time for payment of interest on any Note;

(iv) waive a Default or Event of Default in the payment of principal of, or interest, premium, if any, on, the Notes (except a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(v) make the principal of Note payable in money other than U.S. dollars;

(vi) make any change in the provisions of this Indenture relating to waivers of past Defaults or entitling Holders of Notes to receive payments of principal of, or interest, premium, if any, on, the Notes;

(vii) release any Guarantor that is a Significant Subsidiary of the Company from any of its obligations under its Guarantee of the Notes or this Indenture, except in accordance with the terms of this Indenture and/or the Third Lien Loan Documents;

(viii) amend the contractual right to institute suit for the enforcement of any payment on or with respect to the Notes or any Guarantee of the Notes provided by a Significant Subsidiary of the Company;

(ix) amend or modify any of the provisions of this Indenture or the related definitions affecting the ranking of the Notes or any Guarantee of the Notes in any manner adverse to the Holders of the Notes or any Guarantee of the Notes;

(x) make any change in the preceding amendment and waiver provisions; or

(xi) make the Notes or the Guarantees subordinated in right of payment to any other obligations, or subordinate the Liens securing the Notes or the Guarantees.

In addition, any amendment to, or waiver of, the provisions of the Indenture, any Collateral Document or the Intercreditor Agreement that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes shall require the consent of the Holders of at least 75% in aggregate principal amount of the Notes then outstanding.

Section 9.03 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.04 Notation on or Exchange of Notes.

(a) The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

(b) Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.05 Trustee and Collateral Agent To Sign Amendments, Etc.

The Trustee and Collateral Agent shall sign any amendment or supplement to this Indenture, any Note or other Fourth Lien Note Document authorized pursuant to this Article Nine if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the Collateral Agent. In executing any amendment or supplement or Note, the Trustee shall receive and (subject to Section 7.01) shall be fully protected in conclusively relying upon an Officers' Certificate and an Opinion of Counsel stating that the execution of such amendment or supplement is authorized or permitted by this Indenture.

ARTICLE TEN

NOTE GUARANTEES

Section 10.01 Guarantee.

(a) Subject to this Article Ten, each of the Guarantors, if any, hereby, jointly and severally, and fully and unconditionally, guarantees to each Holder of a Note authenticated and delivered by the Trustee, to the extent lawful, and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Company hereunder or thereunder, that: (i) the principal of, premium, if any, and interest on the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest on the Notes, if lawful (subject in all cases to any applicable grace period provided herein), and all other obligations of the Company to the Holders or the Trustee hereunder or thereunder shall be promptly paid in full, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same shall be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor, if any, agrees that this is a guarantee of payment and not a guarantee of collection.

(b) Any Guarantors hereby agree that, to the maximum extent permitted under applicable law, their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor. Subject to Section 6.06, each Guarantor, if any, hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Guarantee of the Notes shall not be discharged except by complete performance of the obligations contained in the Notes and this Indenture.

(c) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, if any, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or any Guarantors, any amount paid by any of them to the Trustee or such Holder, this Guarantee of the Notes, to the extent theretofore discharged, shall be reinstated in full force and effect.

(d) Each Guarantor, if any, agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby. Each Guarantor, if any, further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six for the purposes of this Guarantee of the Note, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article Six hereof, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of this Guarantee of the Note. The Guarantors, if any

shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Guarantee of the Note.

Section 10.02 Limitation on Guarantor Liability.

Each Guarantor, if any, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Guarantee of the Note of such Guarantor not constitute (i) a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to its Guarantee of the Note or (ii) an unlawful distribution under any applicable state law prohibiting shareholder distributions by an insolvent subsidiary to the extent applicable to its Guarantee of the Note. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors, if any, hereby irrevocably agree that the obligations of such Guarantor shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article Ten, result in the obligations of such Guarantor under its Guarantee of the Note not constituting a fraudulent transfer or conveyance or such an unlawful distribution.

Section 10.03 Execution and Delivery of Note Guarantee.

(a) If an Officer whose signature is on this Indenture no longer holds that office at the time the Trustee authenticates the Note, the Guarantee of the Note shall be valid nevertheless.

(b) The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Guarantee of the Note set forth in this Indenture on behalf of any Guarantors.

(c) If required by Section 4.06, the Company shall cause such Subsidiaries to execute supplemental indentures to this Indenture and Guarantees of the Notes in accordance with Section 4.06 and this Article Ten, to the extent applicable.

Section 10.04 Guarantors May Consolidate, Etc., on Certain Terms.

(a) The Company shall not permit any Guarantor to consolidate with or merge with or into (whether or not the Guarantor is the surviving corporation), or sell, assign, convey, transfer, lease, convey or otherwise dispose of all or substantially all of its properties and assets, in one or more related transactions, to any Person (other than to the Company or another Guarantor) unless:

(i) if such entity remains a Guarantor, (1) the resulting, surviving or transferee Person (the "Successor Guarantor") will be a corporation, partnership, trust or limited liability company organized and existing under the laws of the United States of America, any State of the United States, the District of Columbia or any other territory thereof; (2) the Successor Guarantor, if other than such Guarantor, expressly assumes in writing by supplemental indenture, executed and delivered to the Trustee and the

Collateral Agent, all the obligations of such Guarantor under the Guarantee, the Indenture, the Security Documents (as applicable) and the Intercreditor Agreement and, to the extent required by and subject to the limitations set forth in the US Security Agreement, shall cause such amendments, supplements or other instruments to be executed, filed and recorded in such jurisdictions as may be required by applicable law to preserve and protect the Lien on the Collateral owned by or transferred to the Successor Guarantor, together with such financing statements or comparable documents to the extent required by and subject to the limitations set forth in the US Security Agreement, as may be required to perfect any security interests in such Collateral which may be perfected by the filing of a financing statement or a similar document under the Uniform Commercial Code or other similar statute or regulation of the relevant states or jurisdictions; (3) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Guarantor or any Subsidiary as a result of such transaction as having been Incurred by the Successor Guarantor or such Subsidiary at the time of such transaction), no Default of Event of Default shall have occurred and be continuing; and (4) the Company shall have delivered to the Trustee an Officers' Certificate, each stating that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture;

(ii) [Reserved];

(iii) the Collateral owned by or transferred to the Guarantor or the surviving guarantor entity, as applicable, shall (1) continue to constitute Collateral under the Indenture and the Security Documents, (2) be subject to the Lien in favor of the Collateral Agent for the benefit of itself, the Trustee and the Holders of the Notes, and (3) not be subject to any Lien other than Permitted Liens; or

(iv) the property and assets of the Person which is merged or consolidated with or into the Guarantor or the surviving guarantor entity, as applicable, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Guarantor or the surviving guarantor entity shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the Security Documents and to perfect such Lien in the manner and to the extent required in this Indenture and the Security Documents.

(b) In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee, of the Guarantee of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by a Guarantor, such successor Person shall succeed to and be substituted for a Guarantor with the same effect as if it had been named herein as a Guarantor. All the Guarantees of the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Guarantees of the Notes theretofore and thereafter issued in accordance with the terms of this Indenture as though all of such Guarantees of the Notes had been issued at the date of the execution hereof.

(c) Except as set forth in Section 5.01, and notwithstanding clauses (i) and (ii) of Section 10.04(a), nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of any Guarantor with or into the Company or another Guarantor, or shall prevent any sale or conveyance of the property of any Guarantor as an entirety or substantially as an entirety to the Company or another Guarantor.

Section 10.05 Release of Guarantor.

(a) The Guarantee of the Note of any Guarantor shall be released:

(i) in connection with any transaction permitted by this Indenture after which such Guarantor would no longer constitute a Subsidiary of the Company;

(ii) in accordance with the terms of the Intercreditor Agreement and provided that such Guarantor has been (or substantially contemporaneously will be) released as a guarantor in respect of the Senior Loan Debt, the Term Loan Debt and the Third Lien Debt; or

(iii) upon satisfaction and discharge of the Notes as set forth under Section 12.01 or upon defeasance of the Notes as set forth under Article Eight.

(b) Any Guarantor not released from its obligations under its Guarantee of the Note shall remain liable for the full amount of principal of and interest on the Notes and for the other obligations of any Guarantor under this Indenture as provided in this Article Ten.

ARTICLE ELEVEN

COLLATERAL AND SECURITY

Section 11.01 The Collateral; Appointment of Collateral Agent.

(a) The due and punctual payment of the principal of, premium, if any, and interest on the Notes and the Guarantees thereof when and as the same shall be due and payable, whether on an interest payment date, at maturity, by acceleration, repurchase, redemption or otherwise, interest on the overdue principal of and interest (to the extent lawful), if any, on the Notes and the Guarantees thereof and performance of all other obligations under this Indenture and the other Fourth Lien Note Documents, including, without limitation, the obligations of the Company set forth in Section 7.07 and Section 8.07 herein, and the Notes and the Guarantees thereof and the Security Documents, shall be secured by Liens as provided in the Security Documents which the Company and the Guarantors party thereto have entered into simultaneously with the execution of this Indenture and shall be secured by all Security Documents hereafter delivered as required or permitted by this Indenture.

(b) The Trustee, the Company and the Guarantors hereby acknowledge and agree that the Collateral Agent shall hold the Collateral on a fourth lien basis (subject to Permitted Liens) in trust for the benefit of the Notes Secured Parties, in each case pursuant to the terms of the Security Documents and the Intercreditor Agreement and subject to the rights of the

other secured parties under the Intercreditor Agreements, and the Collateral Agent is hereby authorized to execute and deliver the Security Documents and the Intercreditor Agreement.

(c) Wilmington Trust, National Association is hereby designated and appointed as the initial Collateral Agent of the Holders under the Security Documents. Each Holder, by its acceptance of any Notes and the Guarantees thereof, consents and agrees to the terms of the Security Documents (including, without limitation, the provisions providing for foreclosure) and the Intercreditor Agreement, as the same may be in effect or as may be amended from time to time in accordance with their terms, and authorizes and directs the Collateral Agent to execute and deliver the Security Documents and the Intercreditor Agreement and all other instruments relating thereto and to perform its obligations and exercise its rights under this Indenture, the Security Documents and the Intercreditor Agreement in accordance herewith and therewith together with such other obligations and rights as are reasonably incident.

Section 11.02 Further Assurances. The Company shall and each of the Guarantors shall, do or cause to be done all acts and things that may be required, or that the Collateral Agent from time to time may reasonably deem necessary, to assure and confirm that the Collateral Agent holds, for the benefit of the Notes Secured Parties, duly created and enforceable and perfected Liens upon the Collateral (including any property or assets that are acquired or otherwise become Collateral after the Notes are issued), in each case, as contemplated by, and with the Lien priority required under, this Indenture and the Security Documents.

Upon the reasonable request of the Collateral Agent at any time and from time to time, the Company shall and each of the Guarantors shall promptly execute, acknowledge and deliver such Security Documents, instruments, certificates, notices and other documents, and take such other actions as may be reasonably required, to create, perfect, protect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by this Indenture and the Security Documents.

Notwithstanding anything herein to the contrary, (i) no Mortgage shall be required with respect to any interests in Real Property unless a mortgage, deed of trust or similar instrument shall have been granted to secure the obligations under the Term Loan Agreement, the Senior Loan Agreement or the Third Lien Credit Agreement, (ii) no Guarantee, security interest or other action shall be required pursuant to this Section 11.02 if (x) the costs to the Company and/or applicable Guarantor of providing such Guarantee, providing or perfecting such security interest or performing such other action are unreasonably excessive (as determined by the Company) in relation to the benefits of the Trustee and the Holders of the security or guarantee afforded thereby (any such action is not taken for the benefit of any other holder of Junior Priority Obligations (as defined in the Intercreditor Agreement) or (y) to the extent such Guarantee, security interest or other action, as applicable, is not required to be taken or given pursuant to the Loan Agreements and related security documents, and (iii) any requirement to have a control agreement in effect shall be deemed satisfied if a control agreement for the relevant securities account or deposit account is in effect in favor of a Senior Priority Agent or the Third Priority Agent (as such terms are defined in the Intercreditor Agreement).

Section 11.03 Insurance.

The Company and the Guarantors shall:

(i) keep their properties adequately insured at all times by financially sound and reputable insurers;

(ii) maintain such other insurance, to such extent and against such casualties and contingencies as is customary with companies in the same or similar businesses operating in the same or similar locations, including insurance with respect to properties material to the business of the Company, the Guarantors and their respective Subsidiaries against such casualties and contingencies and of such types and in such amounts with such deductibles as is customary in the case of similar businesses operating in the same or similar locations; and

(iii) maintain such other insurance as may be required by the Security Documents.

Section 11.04 Release of Liens on the Collateral.

(a) The Liens on the Collateral shall automatically and without any need for any further action by any Person be released:

(i) in whole or in part, as applicable, as to all or any portion of property subject to such Liens which has been taken by eminent domain, condemnation or other similar circumstances;

(ii) in whole upon:

(A) satisfaction and discharge of this Indenture as set forth in Section 12.01;

(B) a legal defeasance or covenant defeasance of this Indenture as set forth in Article Eight; or

(iii) in part, as to any property that (x) is sold, transferred or otherwise disposed of by the Company or any Guarantor (other than to the Company or another Guarantor) in a transaction not prohibited by this Indenture at the time of such sale, transfer or disposition or (y) is owned or at any time acquired by a Guarantor that has been released from its Guarantee in accordance with this Indenture, concurrently with the release of such Guarantee;

(iv) in whole or in part, with the consent of the Holders of the requisite percentage of Notes in accordance with the provisions described in Article Nine and upon delivery of instructions and any other documentation, in each case as required by this Indenture, the Security Documents and the Intercreditor Agreement, in a form satisfactory to the Collateral Agent; and

(v) in whole or in part, in accordance with the applicable provisions of the Security Documents and the Intercreditor Agreement.

(b) In addition, at the request of the Company, the Collateral Agent shall:

(i) [subordinate or release its Lien on any property in connection with the incurrence of any Indebtedness permitted by Section 4.05(a); and

(ii) subordinate its Lien on any property to the holder of any Lien on such property that is permitted by Section 4.05(a) or with respect to which the consent of the Holders of the requisite percentage of Notes in accordance with the provisions described in Article Nine has been obtained.]

(c) In connection with any termination or release of any Liens in all or any portion of the Collateral pursuant to this Indenture or any of the Security Documents, the Collateral Agent shall promptly, at the sole expense of the Company, execute, deliver or acknowledge all documents, instruments and releases that have been requested, in writing, to release, reconvey to the Company and/or the Guarantors, as the case may be, subject to the terms of the Intercreditor Agreement, such Collateral or otherwise give effect to, evidence or confirm such termination or release in accordance with the written directions of the Company and/or the Guarantor, as the case may be.

(d) The release of any Collateral shall not be deemed to impair the security under the Security Documents in contravention of the provisions hereof if and to the extent such Collateral is released pursuant to the terms of this Indenture or upon termination of this Indenture. The Trustee and each of the Holders acknowledge and direct the Trustee and the Collateral Agent that a release of Collateral or a Lien in accordance with the terms of any Collateral Document and this Article Eleven shall not be deemed for any purpose to be an impairment of the Lien on the Collateral in contravention of the terms of this Indenture.

(e) As and when requested by the Company or any Guarantor in connection with any termination or release of any Liens in all or any portion of the Collateral pursuant to this Indenture or any of the Security Documents, the Trustee shall instruct the Collateral Agent to authorize the filing of Uniform Commercial Code financing statement amendments or releases (which shall be prepared by and filed by the Company or such Guarantor) solely to the extent necessary to delete or release Liens on property or assets not required to be subject to a Lien under the Security Documents from the description of assets in any previously filed financing statements. If requested in writing by the Company or any Guarantor, the Trustee shall instruct the Collateral Agent to execute, at the sole expense of the Company, such documents, instruments or statements reasonably requested of it (which shall be prepared by and filed by the Company or such Guarantor) and to take such other action as the Company may reasonably request to evidence or confirm that such property or assets not required to be subject to a Lien under the Security Documents described in the immediately preceding sentence has been released from the Liens of each of the Security Documents. The Collateral Agent at the sole expense of the Company shall execute and deliver such documents, instruments and statements and shall take all such actions promptly upon receipt of such written instructions from the Company, any Guarantor or the Trustee, subject to the terms of the Intercreditor Agreement.

Section 11.05 Authorization of Actions to Be Taken by the Trustee or the Collateral Agent Under the Security Documents.

(a) Subject to the provisions of the Security Documents, the Intercreditor Agreement and the other provisions of this Indenture, each of the Trustee or the Collateral Agent may take all actions it deems necessary or appropriate in order to (i) enforce any of its rights or any of the rights of the Holders under the Security Documents and (ii) upon the occurrence and during the continuance of an Event of Default, collect and receive any and all amounts payable in respect of the Collateral in respect of the obligations of the Company and the Guarantors hereunder and thereunder. Subject to the provisions of the Security Documents and the Intercreditor Agreement, the Trustee or the Collateral Agent shall have the power (but not the obligation), upon the occurrence and during the continuance of an Event of Default, to institute and to maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Collateral by any acts that may be unlawful or in violation of the Security Documents, the Intercreditor Agreement or this Indenture, and such suits and proceedings as the Trustee or the Collateral Agent may deem expedient to preserve or protect its interest and the interests of the Holders in the Collateral.

(b) Neither the Trustee nor the Collateral Agent shall be responsible for the existence, genuineness or value of any of the Collateral or for the validity, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of the Company to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

(c) Where any provision of the Security Documents requires that additional property or assets be added to the Collateral, the Company shall, or shall cause the applicable Guarantors to, take any and all actions reasonably required to cause such additional property or assets to be added to the Collateral and to create and maintain a valid and enforceable perfected first-priority security interest on a pari passu basis with the Liens securing any Pari Passu Lien Indebtedness in such property or assets (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Notes Secured Parties, in each case in accordance with and to the extent required under the Security Documents.

(d) In acting under the Security Documents and the Intercreditor Agreement, the Trustee and Collateral Agent shall have all the protections, rights and immunities given to them under this Indenture.

(e) For the avoidance of doubt, upon receipt of any payment by the Collateral Agent or the Trustee pursuant to the Intercreditor Agreement, the Company, the Guarantors and the Holders agree that, as among them, such payments shall be made and such funds applied in accordance with Section 6.10 of this Indenture, and in every case whatsoever, the Trustee and the Collateral Agent shall each be paid amounts owed them under this Indenture, the Intercreditor Agreement and the Security Documents prior to payments (pursuant to Section 6.10 of this Indenture) being made to the Holders.

(f) The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Indenture, the Security Documents or the Intercreditor Agreement in accordance with a request, direction, instruction or consent of the Trustee or the Holders of a majority in aggregate principal amount of the then outstanding Notes and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders.

(g) The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, unless a Responsible Officer of the Collateral Agent shall have received written notice from the Trustee or the Company referring to this Indenture, describing such Default or Event of Default and stating that such notice is a "notice of default." The Collateral Agent shall take such action with respect to such Default or Event of Default as may be reasonably requested by the Trustee in accordance with Article Six hereof or by the Holders of a majority in aggregate principal amount of the Notes (subject to this Section 11.05).

(h) The Collateral Agent may resign at any time by written notice to the Trustee and the Company, such resignation to be effective only upon the acceptance of a successor agent to its appointment as Collateral Agent. If the Collateral Agent resigns under this Indenture, the Company shall promptly appoint a successor collateral agent. If no successor collateral agent is appointed by the Company pursuant to the preceding sentence within thirty (30) days after the intended effective date of resignation (as stated in the notice of resignation) the Collateral Agent shall be entitled to petition a court of competent jurisdiction to appoint a successor. Upon the acceptance of its appointment as successor collateral agent hereunder, such successor collateral agent shall succeed to all the rights, powers and duties of the retiring Collateral Agent, and the term "Collateral Agent" means such successor collateral agent, and the retiring Collateral Agent's appointment, powers and duties as the Collateral Agent shall be terminated. After the retiring Collateral Agent's resignation hereunder, the provisions of this Section 11.05 (and Section 7.07 hereof) shall continue to inure to its benefit and the retiring Collateral Agent shall not by reason of such resignation be deemed to be released from liability as to any actions taken or omitted to be taken by it while it was the Collateral Agent under this Indenture subject, however, to the provisions hereof.

(i) In no event shall the Collateral Agent be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Collateral Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 11.06 Dutch Parallel Debt.

(a) In this clause:

"Dutch Parallel Debt" means any amount which the Company or a Guarantor owes to the Collateral Agent under this Section 11.06.

"Underlying Debt" means at any given time, each Obligation (whether present or future, actual or contingent) owing by the Company or a Guarantor to a Notes Secured Party under the

Fourth Lien Note Documents (including, for the avoidance of doubt, any change or increase in those obligations pursuant to or in connection with any amendment or supplement or restatement or novation of any Fourth Lien Note Document, in each case whether or not anticipated as of the date of this Indenture, for the avoidance of doubt, excluding the Company's or such Guarantor's Dutch Parallel Debt).

(b) The Company and each Guarantor irrevocably and unconditionally undertakes to pay to the Collateral Agent amounts equal to, and in the currency or currencies of, its Underlying Debt.

(c) The Dutch Parallel Debt of the Company and each Guarantor: (i) shall become due and payable at the same time as its Underlying Debt and (ii) is independent and separate from, and without prejudice to, its Underlying Debt.

(d) For purposes of this Section 11.06, the Collateral Agent: (i) is the independent and separate creditor of each Dutch Parallel Debt, (ii) acts in its own name and not as agent, representative or trustee of the Notes Secured Parties and its claims in respect of each Dutch Parallel Debt shall not be held on trust, and (iii) shall have the independent and separate right to demand payment of each Dutch Parallel Debt in its own name (including, without limitation, through any suit, execution, enforcement of security, recovery of guarantees and applications for and voting in any kind of insolvency proceeding).

(e) The Dutch Parallel Debt of the Company or any Guarantor shall be (i) decreased to the extent that its Underlying Debt has been irrevocably and unconditionally paid or discharged, and (ii) increased to the extent to that its Underlying Debt has increased, and the Underlying Debt of the Company or any Guarantor shall be (x) decreased to the extent that its Dutch Parallel Debt has been irrevocably and unconditionally paid or discharged, and (y) increased to the extent that its Dutch Parallel Debt has increased, in each case provided that the Dutch Parallel Debt of the Company or such Guarantor shall never exceed its Underlying Debt.

(f) All amounts received or recovered by the Collateral Agent in connection with this Section 11.06, to the extent permitted by applicable law, shall be applied in accordance with Section [ ] (Application of Proceeds) of the Intercreditor Agreement.

(g) This Section 11.06 applies solely for the purpose of determining the secured obligations in the Security Documents governed by Dutch law.

Section 11.07 Appointment for the Province of Québec. Without prejudice to Section 11.01 above, each Notes Secured Party hereby appoints the Collateral Agent as its hypothecary representative (within the meaning of Article 2692 of the Civil Code of Québec), to enter into, to take and to hold on behalf of and for the benefit of the Notes Secured Parties, any deed of hypothec ("Deed of Hypothec") to be executed by any one or more of the Company or Guarantors granting one or more hypothecs pursuant to the laws of the Province of Québec (Canada) as security for the payment and performance of, inter alia, the Obligations under the Fourth Lien Note Documents, and to exercise such powers and duties which are conferred thereupon under such deed. In this respect, the Holders will be entitled to the benefits of any property or assets charged under the Deed of Hypothec and will participate in the proceeds of

realization of any such property or assets. The Collateral Agent, in such aforesaid capacity as hypothecary representative shall (A) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Collateral Agent as hypothecary representative with respect to the property or assets charged under the Deed of Hypothec, any applicable law or otherwise, and (B) benefit from and be subject to all provisions hereof with respect to the Collateral Agent mutatis mutandis, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Holders, the Company or the Guarantors. The execution prior to the date hereof by the Collateral Agent of any Deed of Hypothec or other security documents made pursuant to the laws of the Province of Québec (Canada) is hereby ratified and confirmed. In the event of the resignation and appointment of a successor Collateral Agent, such successor Collateral Agent shall also be appointed to act as hypothecary representative without further formality, except the filing of a notice of replacement of hypothecary representative pursuant to Article 2692 of the Civil Code of Québec.

ARTICLE TWELVE

SATISFACTION AND DISCHARGE

Section 12.01 Satisfaction and Discharge.

(a) This Indenture shall be discharged and shall cease to be of further effect as to all Notes issued hereunder, and the Collateral shall be released from the Lien in favor of the Collateral Agent for the benefit of the Notes Secured Parties, when:

(i) either:

(A) all Notes that have been authenticated (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust and thereafter repaid to the Company) have been delivered to the Trustee for cancellation; or

(B) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable by reason of the mailing of a notice of redemption or otherwise, (y) will become due and payable within one year or (z) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Company's name and at the Company's expenses, and the Company or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in U.S. dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, and accrued interest to the date of maturity or redemption, as the case may be;

(ii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit or shall occur as a result of such deposit and such

deposit will not result in a breach or violation of, or constitute a default under, any other agreement or instrument (including the Intercreditor Agreement) to which the Company or any Guarantor is a party or by which the Company or any Guarantor is bound;

(iii) the Company or any Guarantor has paid or caused to be paid all sums payable by it under this Indenture; and

(iv) the Company has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

(b) In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

(c) Notwithstanding the above, the Trustee shall pay to the Company from time to time upon its written request any cash or Government Securities held by it as provided in this Section 12.01 which, in the opinion of a nationally recognized investment bank, appraisal firm or firm of independent public accountants expressed in a written certification delivered to the Trustee, are in excess of the amount thereof that would then be required to be deposited to effect a satisfaction and discharge under this Article Twelve.

(d) After the conditions to discharge contained in this Article Twelve have been satisfied, and the Company has paid or caused to be paid all other sums payable hereunder by the Company, and delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that all conditions precedent to satisfaction and discharge have been satisfied, the Trustee and the Collateral Agent upon written request shall acknowledge in writing the discharge of the obligations of the Company and the Guarantors, if any, under this Indenture and the Security Documents (except for any obligations hereunder that by the terms of such obligation expressly survive discharge of the Notes in accordance with this Section 12.01).

Section 12.02 Deposited Money and Government Securities To Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 12.03 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee pursuant to Section 12.01 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest but such money need not be segregated from other funds except to the extent required by law or if held by the Company.

Section 12.03 Repayment to the Company.

The Trustee and the Paying Agent shall promptly turn over to the Company upon request any excess money, Government Securities or securities held by them upon payment of all the obligations under this Indenture.

Subject to any applicable abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its written request or (if then held by the Company) shall be discharged from such trust, and the Holder of such Note shall thereafter look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times or The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Company.

ARTICLE THIRTEEN

MISCELLANEOUS

Section 13.01 Notices.

(a) Any notice or communication by the Company or any Guarantor, on the one hand, or the Trustee on the other hand, to the other is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), facsimile or overnight air courier guaranteeing next day delivery, to the others' address:

If to the Company and/or the Guarantors:	Colt Defense LLC 547 New Park Avenue West Hartford, CT 06110 Attn: John Coghlin Fax No. (860) 244-1442 Phone: (860) 232-4489 Email: jcoghlin@colt.com
If to the Trustee and the Collateral Agent:	Wilmington Trust, National Association, at its corporate trust office, which for purposes of this indenture shall be deemed to be located at: Wilmington Trust, National Association 50 South 6th Street Suite 1290 Minneapolis, MN 55402-1544 Attention: Corporate Trust Administration Telecopy: (612)-217-5651

With a copy to:

Loeb & Loeb, LLP
345 Park Avenue
New York, NY 10154
Attention: Walter H. Curchack, Esq.

(b) The Company, the Trustee or the Collateral Agent, by written notice to the others may designate additional or different addresses for subsequent notices or communications.

(c) All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt acknowledged, if sent via facsimile; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next Business Day delivery.

(d) Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next Business Day delivery to its address shown on the register kept by the Registrar. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. Notwithstanding any other provision of this Indenture or any Note, where this Indenture or any Note provides for notice of any event (including any notice of redemption) to a Holder of Global Securities (whether by mail or otherwise), such notice shall be sufficiently given to DTC for such Note (or its designee), pursuant to the customary procedures of DTC.

(e) Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance on such waiver.

(f) In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

(g) If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it.

(h) If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 13.02 Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate with other Holders with respect to their rights under this Indenture or the Notes.

Section 13.03 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee upon request:

(i) an Officers' Certificate (which shall include the statements set forth in Section 13.04 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(ii) an Opinion of Counsel (which shall include the statements set forth in Section 13.04 hereof) stating that, in the opinion of such counsel (who may rely upon an Officers' Certificate or certificates of public officials as to matters of fact), all such conditions precedent and covenants have been satisfied.

Section 13.04 Statements Required in Certificate or Opinion.

(a) Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(i) a statement that the Person making such certificate or opinion has read such covenant or condition;

(ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(iii) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(iv) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

Section 13.05 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 13.06 No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, incorporator, stockholder (other than a Guarantor), member (other than a Guarantor), manager or partner of the Company or any Guarantor, shall have any liability for any obligations of the Company or the Guarantors, as the case may be, under the Notes, this Indenture, any Guarantees, the Security Documents, the Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their

creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

Section 13.07 Governing Law.

THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES) SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE GUARANTEES.

Section 13.08 Consent to Jurisdiction.

Any legal suit, action or proceeding arising out of or based upon this Indenture or the transactions contemplated hereby ("Related Proceedings") may be instituted in the federal courts of the United States of America located in the City of New York or the courts of the State of New York in each case located in the City of New York (collectively, the "Specified Courts"), and each party irrevocably submits to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. Service of any process, summons, notice or document by mail (to the extent allowed under any applicable statute or rule of court) to such party's address set forth above shall be effective service of process for any suit, action or other proceeding brought in any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action or other proceeding in the Specified Courts and irrevocably and unconditionally waive and agree not to plead or claim in any such court has been brought in an inconvenient forum.

Section 13.09 [Intentionally Omitted].

Section 13.10 Successors.

All agreements of the Company in this Indenture and the Notes shall bind its successors and assigns. All agreements of the Trustee in this Indenture shall bind its successors and assigns. All agreements of the Collateral Agent in this Indenture shall bind its successors and assigns. All agreements of each Guarantor, if any, in this Indenture shall bind such Guarantor's successors and assigns, except as otherwise provided in Section 10.04.

Section 13.11 Severability.

In case any provision in this Indenture or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 13.12 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

Section 13.13 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by the Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing, and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Company if made in the manner provided in this Section 13.13.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such witness, notary or officer the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) Notwithstanding anything to the contrary contained in this Section 13.13, the principal amount and serial numbers of Notes held by any Holder, and the date of holding the same, shall be proved by the register of the Notes maintained by the Registrar as provided in Section 2.04.

(d) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company shall by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act. Such record date shall be the record date specified in or pursuant to such resolution, which shall be a date not earlier than the date 30 days prior to the first solicitation of Holders generally in connection therewith or the date of the most recent list of Holders forwarded to the Trustee prior to such solicitation pursuant to Section 2.06 and not later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the then outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the then outstanding Notes shall be computed as of such record date; provided that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than eleven months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the

Holder of every Note issued upon the registration or transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(f) Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Note may do so itself with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

Section 13.14 Benefit of Indenture.

Nothing in this Indenture or the Notes, express or implied, shall give to any Person, other than the parties hereto, any Paying Agent, any Registrar and its successors hereunder, and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 13.15 Table of Contents, Headings, Etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

Section 13.16 Intercreditor Agreement Governs.

Notwithstanding anything herein or in any other Fourth Lien Note Document to the contrary:

(a) The Liens created by any Security Documents and the rights and remedies of the Trustee, the Collateral Agent and the Holders hereunder and under the Fourth Lien Note Documents are subject to the terms of the Intercreditor Agreement.

(b) In the event of any conflict or inconsistency between the terms of the Intercreditor Agreement, on one hand, and the terms of this Indenture or any other Fourth Lien Note Documents, on the other hand, the terms of the Intercreditor Agreement shall govern and control; provided, however, that nothing in the Intercreditor Agreement shall override the provisions of Article Seven hereof with respect to the rights of the Trustee.

Section 13.17 Quebec Interpretation.

For all purposes pursuant to which the interpretation or construction of this Indenture may be subject to the laws of the Province of Quebec or a court or tribunal exercising jurisdiction in the Province of Quebec, (a) “personal property” shall include “movable property”, (b) “real property” shall include “immovable property”, (c) “tangible property” shall include “corporeal property”, (d) “intangible property” shall include “incorporeal property”, (e) “security interest”, “mortgage” and “lien” shall include a “hypothec”, “prior claim” and a “resolutory clause”, (f) all references to filing, registering or recording under the Uniform Commercial Code or PPSA shall include publication under the Civil Code of Quebec, (g) all references to “perfection” of or “perfected” liens or security interest shall include a reference to an “opposable” or “set up” hypothec as against third parties, (h) any “right of offset”, “right of

setoff" or similar expression shall include a "right of compensation", (i) "goods" shall include "corporeal movable property" other than chattel paper, documents of title, instruments, money and securities, (j) an "agent" shall include a "mandatary", (k) "construction liens" shall include "legal hypothecs" in favor of persons having taken part in the construction or renovation of an immovable, (l) "joint and several" shall include solidary, (m) "gross negligence or willful misconduct" shall be deemed to be "intentional or gross fault", (n) "beneficial ownership" shall include "ownership on behalf of another as mandatary", (o) "easement" shall include "servitude", (p) "priority" shall include rank or "prior claim", as applicable, (q) "survey" shall include "certificate of location and plan", (r) "fee simple title" shall include "ownership", (s) "leasehold interest" shall include a "valid lease", and (v) "lease" shall include a "leasing contract".

IN WITNESS WHEREOF, the parties have executed this Indenture as of December [__], 2015.

[SIGNATURE PAGES FOLLOW]

COLT DEFENSE LLC, as issuer

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT SECURITY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT FINANCE CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

NEW COLT HOLDING CORP., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING COMPANY, LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT DEFENSE TECHNICAL SERVICES LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

CDH II HOLDCO INC., as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT'S MANUFACTURING IP HOLDING COMPANY LLC, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA CORPORATION, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT CANADA IP HOLDING COMPANY, as a Guarantor

By: _____
Name: Dennis Veilleux
Title: President and Chief Executive Officer

COLT INTERNATIONAL COÖPERATIEF U.A.,
as a Guarantor

By: _____
Name: Dennis Veilleux

Title: President and Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name:
Title:

EXHIBIT A

[Face of Note]

[Insert the Global Note Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the Section 1145 Exemption Legend pursuant to the provisions of the Indenture]

[Insert the PIK Interest Legend, if applicable, pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable, pursuant to the provisions of the Indenture.]

CUSIP No. **$ **

COLT DEFENSE LLC

8.00% Fourth Priority Secured Notes Due 2021

Issue Date:

Colt Defense LLC, a Delaware limited liability company (the "Company," which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to [___], or its registered assigns, the principal sum of $[___] on [June 28], 2021.

Interest Payment Dates: [June] [__] and [December] [__], commencing [June] [__], 2016.

Interest Payment Record Dates: [_____] [__] and [_____] [__].

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Note to be signed manually or by facsimile by its duly authorized officer.

COLT DEFENSE LLC

By: _____
Name:
Title:

(Trustee's Certificate of Authentication)

This is one of the 8.00% Fourth Priority Secured Notes Due 2021 described in the within-mentioned Indenture.

Dated: [____]

Wilmington Trust, National Association,
as Trustee

By: _____
Authorized Signatory

[Reverse Side of Note]

COLT DEFENSE LLC

8.00% Fourth Priority Secured Notes Due 2021

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. Interest. The Company promises to make PIK Interest payments on the principal amount of this Note at the rate of 8.00% per annum from the date hereof until the aggregate principal amount of Notes issued and outstanding under the Indenture is $10,000,000. Thereafter, if the aggregate principal amount outstanding under the Notes (whether by original issue and/or any increase in principal amount in connection with the payment or accrual of PIK Interest) equals $10,000,000, then interest on the Notes shall accrue at the rate of 8.00% per annum (without any interest on interest thereon, PIK Interest or compounding thereof) and such accrued interest shall be payable in cash on the Maturity Date. The Company shall make PIK Interest payment semi-annually in arrears on [June] [__] [and [December] [__] of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each an "Interest Payment Date"). Interest on the Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of original issuance; provided that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided further that the first Interest Payment Date shall be [June] [__], 2016. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal from time to time on demand at a rate that is 2% per annum in excess of the rate then in effect. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The interest rate on the Notes shall in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

Following an increase in the principal amount of the outstanding Global Notes as a result of a PIK Interest payment, the relevant Notes will bear interest on such increased principal amount from and after the date of such PIK Interest payment.

2. Method of Payment. The Company shall make PIK Interest payment on the Notes to the Persons who are registered Holders of Notes at the close of business on the record date immediately preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date.

PIK Interest on the Notes will be payable (x) with respect to Notes represented by one or more Global Notes registered in the name of, or held by, The Depository Trust Company ("DTC") or its nominee on the relevant Interest Record Date, by increasing the principal amount of the outstanding Global Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded to the nearest $50) (or, if required by DTC, to authenticate new Global Notes executed by the Company with such increased principal amounts) and (y) with respect to Notes represented by Definitive Notes, by issuing PIK Notes in the form of Definitive Notes that

are not Global Notes in an aggregate principal amount equal to the amount of PIK Interest for the applicable period (rounded to the nearest whole dollar), and the Trustee will, at the request of the Company, authenticate and deliver such PIK Notes for original issuance to the Holders; provided, however, that, with respect to the Interest payable on any Interest Payment Date, to the extent that such payment would otherwise cause the outstanding principal amount of the Notes, including any PIK Notes, to exceed $10,000,000, that portion of the payment of Interest due on such Interest Payment Date that would cause the principal to exceed $10,000,000 shall be in the form of accrued interest, and no further PIK Notes shall be issued, nor shall any PIK Interest accrue on any Global Note on such Interest Payment Date or thereafter, and such interest shall be payable in cash on the Maturity Date.

Any payments of principal of this Note prior to Stated Maturity shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. The amount due and payable at the maturity of this Note shall be payable only upon presentation and surrender of this Note at an office of the Trustee or the Trustee's agent appointed for such purposes.

Notwithstanding anything to the contrary contained herein, no interest shall be due and payable in cash until the Maturity Date.

3. Paying Agent and Registrar. Initially, the Trustee under the Indenture shall act as Paying Agent and Registrar. The Company may change any Paying Agent or Registrar without prior notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. Indenture. The Company issued the Notes under an Indenture dated as of December [__], 2015 ("Indenture") among the Company, the Guarantors party thereto, the Trustee and the Collateral Agent. The terms of the Notes include those stated in the Indenture. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Indenture pursuant to which this Note is issued provides that the aggregate principal amount of Notes (including portion of PIK Interest that has been added to the principal amount of the Notes) that may be outstanding thereunder shall not exceed $10,000,000.

5. Optional Redemption. At any time, the Company may redeem all or a part of the Notes, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

6. Denominations, Transfer, Exchange. The Notes are in registered form without coupons in minimum denominations of $200 and integral multiples of $50 in excess thereof. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company is not required to transfer or exchange any Note selected for redemption. Also, the Company is not required to transfer or exchange any Note (1) for a period of 15 days before the mailing of a notice of redemption of

Notes to be redeemed or (2) during the period between a record date and the next succeeding interest payment date. Transfer may be restricted as provided in the Indenture.

7. Persons Deemed Owners. The registered Holder of a Note shall be treated as its owner for all purposes.

8. Amendment, Supplement and Waiver. Subject to certain exceptions, the Indenture, or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes), and any existing default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). Without the consent of any Holder of a Note, the Indenture, or the Notes may be amended or supplemented to, among other things, cure any ambiguity, mistake, defect or inconsistency, or make any change that does not materially adversely affect the legal rights under the Indenture of any such Holder.

9. Defaults and Remedies. In the case of an Event of Default arising from certain events of bankruptcy or insolvency with respect to the Company , all outstanding Notes shall become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately by notice in writing to the Company specifying the Event of Default. In the event of a declaration of acceleration of the Notes because an Event of Default has occurred and is continuing as a result of the acceleration of any Indebtedness described in Section 6.01(v) of the Indenture, the declaration of acceleration of the Notes shall be automatically annulled if the holders of all Indebtedness described in Section 6.01(v) of the Indenture have rescinded the declaration of acceleration in respect of such Indebtedness within 30 Business Days of the date of such declaration, and if the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction, and all existing Events of Default, except non-payment of principal or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

Holders may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from Holders notice of any Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes. If certain conditions are satisfied, Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of interest, or the principal of, the Notes.

10. Trustee Dealings with the Company. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may become a creditor of, or otherwise deal with the Company or any of its Affiliates, with the same rights it would have if it were not Trustee.

11. No Recourse Against Others. No director, officer, employee, incorporator, stockholder (other than a Guarantor), member (other than a Guarantor), manager or partner, past, present or future of the Company or any Guarantors shall have any liability for any obligations of the Company or any Guarantors, as the case may be, under the Notes, the Indenture, any Guarantees of the Notes, the Security Documents, the Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under the federal securities laws.

12. Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

13. CUSIP Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

14. Copies of Documents. The Company shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Colt Defense LLC

Attention: John Coghlin
Facsimile No.: (860) 244-1442

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:

_____
(INSERT ASSIGNEE'S LEGAL NAME)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*: _____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

[TO BE INSERTED FOR A GLOBAL NOTE]

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	**Amount of Decrease in Principal Amount at Maturity of this Global Note**	**Amount of Increase in Principal Amount at Maturity of this Global Note**	**Principal Amount at Maturity of this Global Note Following such decrease (or increase)**	**Signature of Authorized Signatory of Trustee or Custodian**

EXHIBIT B

FORM OF SUPPLEMENTAL INDENTURE
TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "Supplemental Indenture"), dated as of , among (the "Guaranteeing Subsidiary"), a [_____] and [direct / indirect] subsidiary of Colt Defense LLC, a Delaware limited liability company (the "Company"), the Company, Wilmington Trust, National Association, a national banking association (or its permitted successor), as trustee (the "Trustee") and collateral agent (the "Collateral Agent") under the Indenture referred to below.

W I T N E S S E T H

WHEREAS, the Company and the other Guarantors party thereto have heretofore executed and delivered to the Trustee an indenture (the "Indenture"), dated as of December [__], 2015, providing for the issuance of the Company's 8.00% Fourth Priority Secured Notes Due 2021 (the "Notes");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall, subject to Article Ten of the Indenture, unconditionally guarantee the Notes on the terms and conditions set forth therein (the "Note Guarantee") and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company, the Guaranteeing Subsidiary and the Trustee agree as follows for the equal and ratable benefit of the Holders of the Notes:

1. Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

2. Agreement to Guarantee.

(a) Subject to Article Ten of the Indenture, the Guaranteeing Subsidiary fully and unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee to the extent lawful, and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Company hereunder or thereunder, that:

(i) the principal of, premium, if any, and interest on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of, premium, if any, and interest on the Notes, if lawful (subject in all cases to any applicable grace period provided herein), and all other obligations of the Company to the Holders or the Trustee hereunder or

thereunder will be promptly paid in full, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, the same will be promptly paid in full when due in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. The Guaranteeing Subsidiary agrees that this is a guarantee of payment and not a guarantee of collection.

(b) The Guaranteeing Subsidiary hereby agrees that, to the maximum extent permitted under applicable law, its obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Company, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) The Guaranteeing Subsidiary, subject to Section 6.06 of the Indenture, hereby waives diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Company, any right to require a proceeding first against the Company, protest, notice and all demands whatsoever and covenants that this Note Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes and the Indenture.

(d) If any Holder or the Trustee is required by any court or otherwise to return to the Company, the Guarantors, or any custodian, trustee, liquidator or other similar official acting in relation to the Company or any Guarantor, any amount paid by any of them to the Trustee or such Holder, this Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(e) The Guaranteeing Subsidiary agrees that it shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(f) The Guaranteeing Subsidiary agrees that, as between the Guarantors, on the one hand, and the Holders, the Trustee and the Collateral Agent, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article Six of the Indenture for the purposes of the Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article Six of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of the Note Guarantee.

(g) The Guaranteeing Subsidiary shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under the Note Guarantee.

(h) The Guaranteeing Subsidiary confirms, pursuant to Section 10.02 of the Indenture, that it is the intention of such Guaranteeing Subsidiary that the Note Guarantee not constitute (i) a fraudulent transfer or conveyance for purposes of Bankruptcy Law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law to the extent applicable to the Note Guarantee or (ii) an unlawful distribution under any applicable state law prohibiting shareholder distributions by an insolvent subsidiary to the extent applicable to the Note Guarantee. To effectuate the foregoing intention, the Guaranteeing Subsidiary and the Trustee hereby irrevocably agree that the obligations of the Guaranteeing Subsidiary shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guaranteeing Subsidiary that are relevant under such laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article Ten of the Indenture, result in the obligations of the Guaranteeing Subsidiary under the Note Guarantee not constituting a fraudulent transfer or conveyance or such an unlawful distribution.

3. Execution and Delivery. The Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding any failure to endorse on each Note a notation of the Note Guarantee.

4. Release. The Guaranteeing Subsidiary's Note Guarantee shall be released as set forth in Section 10.05 of the Indenture.

5. No Recourse Against Others. Pursuant to Section 13.06 of the Indenture, no director, officer, employee, incorporator or stockholder (other than a Guarantor), past, present or future of the Guaranteeing Subsidiary shall have any liability for any obligations of the Guaranteeing Subsidiary under the Notes, the Indenture, this Supplemental Indenture, any Guarantees of the Notes, the Security Documents, the Intercreditor Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder of Notes, by accepting a Note, waives and releases all such liability. This waiver and release are part of the consideration for the Note Guarantee.

6. NEW YORK LAW TO GOVERN. THE LAWS OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS SUPPLEMENTAL INDENTURE.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

9. Limitation of Liability. Neither the Trustee nor the Collateral Agent shall be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this

Supplemental Indenture, the Note Guarantee or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary and the Company.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

[NAME OF GUARANTEEING SUBSIDIARY]

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

COLT DEFENSE LLC
as Company

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

By: _____
Name:
Title:

Exhibit F

Offering Procedures

FORM OF OFFERING PROCEDURES

Colt Holding Company LLC

c/o Kurtzman Carson Consultants LLC ("KCC")

1290 Avenue of the Americas, 9th Floor

New York, NY 10104

Telephone: 917-281-4800 - Email: ColtInfo@kccllc.com

Reference is made to (i) the jointly administered chapter 11 bankruptcy cases, In re Colt Holding Company LLC, et al., case no. 15-11296 (LSS) (the "Chapter 11 Cases"), currently pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") in which Colt Holding Company LLC (the "Company"), Colt Security LLC, Colt Defense LLC, Colt Finance Corp., New Colt Holding Corp., Colt's Manufacturing Company LLC, Colt Defense Technical Services LLC, Colt Canada Corporation, Colt International Coöperatief U.A., and CDH II Holdco Inc. are debtors (collectively, the "Debtors") and (ii) the Debtors' Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code, filed with the Bankruptcy Court on November 10, 2015 (as it may be modified, amended or supplemented from time to time, the "Plan"). Certain capitalized terms used herein are defined in Exhibit A hereto; all other capitalized terms used but not defined herein shall have the meaning given to them in the Plan.

The securities to be issued by Reorganized Parent in the Offering will be offered, sold, issued and distributed without registration under the Securities Act, in reliance on the exemption provided in Section 4(a)(2) of the Securities Act or the exemption provided in Regulation D under the Securities Act.

The Offering is being conducted in good faith and in compliance with the Bankruptcy Code. In accordance with Section 1125(e) of the Bankruptcy Code, a debtor or any of its agents that participates, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, in the offer, issuance, sale, or purchase of a security, offered or sold under the plan, of the debtor, of an affiliate participating in a joint plan with the debtor, or of a newly organized successor to the debtor under the plan, is not liable, on account of such participation, for violation of any applicable law, rule, or regulation governing the offer, issuance, sale, or purchase of securities.

Please refer to Section V(C)(3) of the Disclosure Statement and Section 5.4 of the Plan for information regarding the Offering. For a copy of the Disclosure Statement or the Plan, please contact the Offering Agent.

1. Introduction

Pursuant to the Plan, the Reorganized Debtors will raise $90 million in new capital from a private offering (the "Offering"). The Offering will consist of (a) $50 million of units (the "Offering Units"), consisting of (i) $ 50 million of third lien secured debt to be issued pursuant to a third lien credit agreement (the "Third Lien Exit Facility") and (ii) priority equity interests in the Reorganized Parent (the "New Class A LLC Units") and (b) a new $40 million senior secured loan (the "Senior Exit Facility").

The Offering will be allocated amongst the Sciens Group, Fidelity/Newport, Eligible Holders of the Senior Notes, and Participating Consortium Noteholders as follows:

i. Sciens Capital Management LLC ("Sciens") (or one or more of its Related Purchasers (as such term is defined in the Equity Commitment Agreement)) will subscribe for $15 million of the Offering Units;

ii. Fidelity Newport Holdings LLC ("Fidelity") and Newport Global Advisors ("Newport") (or one or more of their respective Related Purchasers) will, severally and not jointly, subscribe its allocable portion of a total of $15 million of the Offering Units and $17,142,857 of the Senior Exit Facility;

iii. Each Eligible Holder will be entitled to subscribe to up to its pro rata portion, as described herein, of (i) the remaining $20 million of the Offering Units (the "Noteholder Offering Allocation") and (ii) $22,857,143 of the Senior Exit Facility (the "Senior Exit Facility Participating Holder Allocation", and, together with the Noteholder Offering Allocation, the "Senior Noteholder Offering"); and

iv. Each Participating Consortium Noteholder (or one or more of its Related Purchasers) shall, severally and not jointly, commit to purchase its pro rata portion, as described herein, of (i) the Noteholder Offering Allocation and (ii) the Senior Exit Facility Participating Holder Allocation.

The Senior Noteholder Offering will be fully backstopped by the Participating Consortium Noteholders pursuant to the terms and conditions of an Equity Commitment Agreement, as described herein.

2. Determination of Eligible Holder Status

Only Eligible Holders of the Senior Notes as of the Offering Record Date will be offered the opportunity to participate in the Senior Noteholder Offering. On or about November 16, 2015, the Debtors distributed to each Holder of a Senior Notes Claim a Ballot to vote to accept or reject the Plan, elect certain treatment and make certain certifications with respect to the Plan. To be eligible to participate in the Offering as an "Eligible Holder," each Holder of a Senior Notes Claim must, pursuant to the Ballot:

i. vote to accept the Plan;

ii. certify that it is an Accredited Investor holding $100,000 or more in principal amount of Allowed Senior Notes Claims;

iii. make an election to participate in the Offering; and

iv. complete, sign and return the Ballot to its Nominee with enough time for the Nominee to process and cast such Holder's vote on a Master Ballot so that a Master Ballot is actually received by the Voting Agent prior to 4:00 P.M. Eastern Standard Time on December 7, 2015 (the "Voting Deadline").

As provided in the instructions to the Ballot, the Nominee holding such Holder's Senior Notes must "tender" the Senior Notes for which an election to participate in the Offering has been made into a Class 4-A Election Account established at DTC for such purpose on or prior to the Voting Deadline. Senior Notes may not be withdrawn from the Class 4-A Election Account after a Nominee has tendered them to the Class 4-A Election Account at DTC. No further trading will be permitted in the Senior Notes held in the Class 4-A Election Account at DTC.

As further provided in the Ballot, if a Ballot is not properly completed or a Master Ballot is not received by the Voting Agent prior to the Voting Deadline, the Holder (except a Consortium Member) will not be allowed to participate in the Offering as an Eligible Holder and such Holder's Allowed Senior Notes Claims will be treated in accordance with Section 4.5 of the Plan.

3. Participating Consortium Noteholders

Certain Holders of Senior Notes are members of an ad hoc consortium of holders of the Senior Notes, the members of which are identified in the Amended Joint Verified Statement of Ashby & Geddes, P.A. and Brown Rudnick LLP pursuant to Federal Rule of Bankruptcy Procedures 2019 [D.I. 167], filed with the Bankruptcy Court on or about July 7, 2015 (the "Consortium Members"). Certain of the Consortium Members are party to a certain Restructuring Support Agreement (the "Restructuring Support Agreement") entered into between the Company and its direct and indirect subsidiaries, the Consenting Lenders (as defined in the Restructuring Agreement), the Sciens Group and NPA, on October 9, 2015 (the "RSA Record Date"). As of the RSA Record Date, the Consortium Members held Claims pursuant to Senior Notes in an aggregate principal amount equal to approximately $136.262 million. We refer to these Senior Notes as the "RSA Senior Notes".

Prior to the commencement of the Offering, each Consortium Member and each other Person (that is an Eligible Holder) that holds RSA Senior Notes as of the Offering Record Date (each, a "Consortium Party" and collectively, the "Consortium Parties") will be offered the opportunity to elect to fully participate in the Offering as a "Participating Consortium Noteholder." Each of the Participating Consortium Noteholders will, severally and not jointly, commit to purchase its pro rata share of the Senior Noteholder Offering based on the amount of Senior Notes owned by it as of the Offering Record Date and the Participating Consortium Noteholders will fully backstop the Senior Noteholder Offering, all as provided in the Equity Commitment Agreement. Bowery, Phoenix and Matlin Patterson have agreed to participate in the Offering as Participating Consortium Noteholders.

In order to elect to fully participate in the Offering as a Participating Consortium Noteholder, each Consortium Party (that is an Eligible Holder) must execute and deliver to the Debtors a counterpart signature page to the Equity Commitment Agreement prior to the Offering Commencement Date. If the Debtors do not receive the duly executed counterpart signature page to the Equity Commitment Agreement prior to the Offering Commencement Date from a Consortium Party, such Consortium Party will not be allowed to fully participate in the Offering as a Participating Consortium Noteholder.

The Consortium Parties (that are Eligible Holders) that do not elect to fully participate in the Offering as Participating Consortium Noteholders will participate in the Offering as Eligible Holders. We refer to the Senior Notes which were not held by Consortium Members as of the RSA Record Date or for which the Consortium Party holding such Senior Notes did not make an election to be treated as a Participating Consortium Noteholder by as "Non-Consortium Member Senior Notes."

In connection with the Plan, in full exchange for its Allowed Senior Notes Claims, each Consortium Party will, whether or not such Consortium Party participates in the Offering as a Participating Consortium Noteholder or exercises Rights as an Eligible Holder, as applicable, be issued its allocable share of the Class B LLC Units of the Reorganized Parent (the "New Class B LLC Units") to be issued under the Plan, such allocable share to be equal to the amount of Senior Notes such Consortium Party holds on the Distribution Record Date divided by the amount of all Senior Notes held by all Consortium Parties and Eligible Holders that receive New Class B LLC Units under the Plan.

4. Senior Noteholder Offering – Eligible Holder Pro Rata Share

Pursuant to the Plan and these Offering Procedures, each Eligible Holder (other than a Participating Consortium Noteholder), will be offered an opportunity to subscribe to its pro rata portion of the Senior Noteholder Offering. Each Eligible Holder (other than a Participating Consortium Noteholder) will be offered the opportunity (a "Right") to (i) purchase up to a dollar amount of Offering Units equal to 80% of the product of (a) $20 million and (b) the fraction equal to the principal amount of the Senior Notes held by such Eligible Holder on the Offering Record Date divided by the difference between $250 million and the principal amount of the Senior Notes beneficially held by Fidelity/Newport as of the RSA Record Date (the "Offering Denominator" and the dollar amount of Offering Units, the "Eligible Holder Pro Rata Share") and (ii) fund the amount of the Senior Exit Facility Participating Holder Allocation equal to (a)

the Senior Exit Facility Participating Holder Allocation times (b) the dollar amount of the Offering Units purchased by such Eligible Holder with respect to its Senior Notes divided by the aggregate $20 million Noteholder Offering Allocation (the "Eligible Holder Senior Exit Facility Pro Rata Share" and, together with the Eligible Holder Pro Rata Share, the "Eligible Holder Offering Pro Rata Share"). As of the RSA Record Date, Fidelity/Newport held $20.086 million in aggregate principal amount of the Senior Notes, and the Offering Denominator is $229.914 million.

For the avoidance of doubt, if an Eligible Holder purchases Offering Units in the Senior Noteholder Offering, such Eligible Holder shall be required to fund a proportionate share of the Senior Exit Facility Participating Holder Allocation (For example, if an Eligible Holder subscribes for $10,000 of the Senior Noteholder Offering, approximately $4,666 of such subscription amount shall be allocated to purchase Offering Units and approximately $5,334 of such subscription amount shall be allocated to fund the Senior Exit Facility).

In connection with the Offering and in full exchange for its Allowed Senior Notes Claims, each Eligible Holder (other than a Consortium Party) that (i) elects pursuant to its Ballot to participate in the Offering and (ii) validly exercises Rights in the Offering, whether or not such Eligible Holder exercises Rights to purchase its entire Eligible Holder Offering Pro Rata Share, will be issued its allocable share of the New Class B LLC Units, equal to the amount of Senior Notes such Eligible Holder holds on the Distribution Record Date divided by the amount of all Senior Notes held by all Consortium Parties and the Eligible Holders that that receive New Class B LLC Units under the Plan.

Each Eligible Holder (other than a Consortium Party) that (i) elects pursuant to its Ballot to participate in the Offering but (ii) does not validly exercise any of its Rights in the Offering will receive its allocable portion of the Fourth Lien Notes issued pursuant to the Fourth Lien Indenture. The terms and conditions of the Fourth Lien Indenture are further described in the Plan.

5. Senior Noteholder Offering – Participating Consortium Noteholders Commitments

Pursuant to the Plan and these Offering Procedures, and in accordance with the Equity Commitment Agreement to be entered into between the Company and the Commitment Parties, each Participating Consortium Noteholder (or one or more of its Related Purchasers) will commit to purchase its pro rata share of the Senior Noteholder Offering based on the amount of Senior Notes owned by it as of the Offering Record Date and the Participating Consortium Noteholders will fully backstop the Senior Noteholder Offering.

Pursuant to the Plan and these Offering Procedures, an amount of the Offering Units equal to 20% of the product of (a) $20 million and (b) the aggregate principal amount of the Non-Consortium Member Senior Notes divided by the Offering Denominator (the "Backstop Set Aside Amount").

In accordance with and pursuant to the Equity Commitment Agreement, each Participating Consortium Noteholder (or one or more of its Related Purchasers) will commit:

(a) with respect to its RSA Senior Notes, to purchase a dollar amount of Offering Units equal to the sum of (i) the product of (x) $20 million and (y) the fraction equal to the principal amount of the RSA Senior Notes held by such Participating Consortium Noteholder on the Offering Record Date divided by the Offering Denominator plus (ii) the product of (x) the Backstop Set Aside Amount and (y) the fraction equal to the principal amount of the RSA Senior Notes held by such Participating Consortium Noteholder on the Offering Record Date divided by the aggregate amount of the RSA Senior Notes held by all Participating Consortium Noteholders as of the Offering Record Date;

(b) with respect to its Non-Consortium Member Senior Notes, to purchase up to a dollar amount of Offering Units equal to 80% of the product of (i) $20 million and (ii) the fraction equal to the principal amount of the Non-Consortium Member Senior Notes held by such Participating Consortium Noteholder on the Offering Record Date divided by the Offering Denominator (the dollar amount of Offering Units purchased by the Participation Consortium Noteholder pursuant to (a) and (b), the "Participating Consortium Noteholder Pro Rata Share"); and

(c) to fund the amount of the Senior Exit Facility Participating Holder Allocation equal to (i) the Senior Exit Facility Participating Holder Allocation times (ii) the dollar amount of the Offering Units purchased by such Participating Consortium Noteholder pursuant to its Participating Consortium Noteholder Pro Rata Share divided by the aggregate $20 million Noteholder Offering Allocation (the "Participating Consortium Noteholder Senior Exit Facility Pro Rata Share" and, together with the Participating Consortium Noteholder Pro Rata Share, the "Participating Consortium Noteholder Offering Pro Rata Share").

In addition, in order to ensure that the Senior Noteholder Offering is fully subscribed, Participating Consortium Noteholders will fully backstop the Senior Noteholder Offering by (i) purchasing the Offering Units not purchased by Eligible Holders pursuant to their Eligible Holder Pro Rata Shares and which the Participating Consortium Noteholders have not otherwise committed to purchase pursuant to their Participating Consortium Noteholder Pro Rata Shares (the "Remaining Units") and (ii) funding the portion of the Senior Exit Facility Participating Holder Allocation that has not been funded by Eligible Holders pursuant to their Eligible Holder Senior Exit Facility Pro Rata Shares and which Participating Consortium Noteholders have not otherwise committed to fund pursuant to their Participating Consortium Noteholder Senior Exit Facility Pro Rata Shares (the "Remaining Senior Exit Facility" and, together with the Remaining Units, the "Remaining Senior Noteholder Offering Amount").

Each of the Participating Consortium Noteholders (or one or more of its Related Purchasers) will, severally and not jointly, purchase (a) its Participating Consortium Noteholder Offering Pro Rata Share and (b) its Backstop Commitment Percentage (as defined in the Equity Commitment Agreement) of the Remaining Senior Noteholder Offering Amount (together (a) and (b) are referred to as the "Participating Consortium Noteholder Commitment") pursuant to the terms and conditions of the Equity Commitment Agreement, as described in Section 12 below.

6. Fidelity/Newport and Sciens Group Commitments

Sciens (or one or more of its Related Purchasers) will subscribe for $15 million of the Offering Units (the "Sciens Group Commitment") and Fidelity and Newport (or one or more of their respective Related Purchasers) will each, severally and not jointly, subscribe for its allocable portion of a total of $15 million of the Offering Units and $17,142,857 of the Senior Exit Facility (the "Fidelity/Newport Commitment") pursuant to the terms and conditions of the Equity Commitment Agreement, as described in Section 12 below.

If Sciens, Fidelity or Newport acquires Senior Notes between the RSA Record Date and the Offering Record Date, it shall be permitted to participate in the Senior Noteholder Offering as an Eligible Holder with respect to such Senior Notes. In addition, if Sciens, Fidelity or Newport acquires RSA Senior Notes between the RSA Record Date and the Offering Record Date, it shall be permitted to participate in the Offering as a Participating Consortium Noteholder with respect to the Senior Notes it has acquired between the RSA Record Date and the Offering Record Date.

7. Senior Noteholder Offering Record Date

The record date for the Senior Noteholder Offering will be December 7, 2015 (the "Offering Record Date"). Only Eligible Holders holding Senior Notes as of the Offering Record Date will be eligible to participate in the Senior Noteholder Offering as Eligible Holders. As described in Section 3 of these Offering Procedures, the Senior Notes that constitute RSA Senior Notes are those that were held by Consortium Members as of October 9, 2015. Only Consortium Parties holding RSA Notes as of the Offering Record Date will be offered the opportunity to participate in the Offering as Participating Consortium Noteholders.

8. The Offering Period

The Offering will commence on December 8, 2015 (the "Commencement Date"). The Offering will expire at the later of 4:00 p.m. Eastern Standard Time on December 22, 2015 or such other time and date as may be determined by the Company and the Requisite Commitment Parties (the "Expiration Time"). The period beginning on the Commencement Date and ending at the Expiration Time is referred to as the "Offering Period".

Each Eligible Holder (that is not a Participating Consortium Noteholder) intending to participate in the Offering must affirmatively elect, and direct its Nominee to elect, in each case pursuant to the procedures set forth in Section 10 below, to exercise its respective Rights on or prior to the Expiration Time.

After the Expiration Time, any unexercised Rights shall then expire and the Remaining Senior Noteholder Offering Amount will be purchased by the Participating Consortium Noteholders pursuant to and in accordance with the Equity Commitment Agreement and the , as further described in Section 5 herein.

9. Offering Documents

On or as promptly as practicable after the Commencement Date, the Offering Agent will provide to each record holder of Senior Notes, by mail, electronic mail or facsimile transmission, a subscription form to be used by each Eligible Holder to exercise its Rights (the "Subscription Form") with respect to the Senior Notes that it beneficially owns on the Offering Record Date, together with appropriate instructions for the proper completion, due execution and timely delivery of the Subscription Form, as well as instructions for the payment of the applicable Eligible Holder Subscription Amount. In addition, on the Commencement Date, the Company will provide to each record holder of Senior Notes (i) a copy of the Plan and (ii) a copy of the Disclosure Statement (the Subscription Form, instructions, and the other documents to be provided to the record holders of Senior Notes are referred to as the "Offering Materials"). The record holder will provide copies of the Offering Materials to each Beneficial Owner of the Senior Notes that is an Eligible Holder (other than a Participating Consortium Noteholder) so that the Eligible Holder may exercise its Rights.

10. Exercise of Rights by Eligible Holders

Each Eligible Holder (which is not a Participating Consortium Noteholder) that is the Beneficial Owner of Senior Notes as of the Offering Record Date will have the Right to purchase up to its Eligible Holder Offering Pro Rata Share. In order to elect to exercise its Rights, the Eligible Holder must (i) properly complete the Subscription Form; (ii) return the properly completed Subscription Form to its Nominee at least one Business Day prior to the Expiration Time; and (iii) deliver the applicable Eligible Holder Subscription Amount to the Escrow Account prior to the Expiration Time. The Subscription Form contains signature pages to the Third Lien Exit Facility and the Senior Exit Facility, which the Beneficial Owner must sign as a "Lender" pursuant to the Third Lien Exit Facility and the Senior Exit Facility, in order to exercise its Rights. In addition, the Eligible Holder's Nominee (the record holder of the Eligible Holder's Senior Notes) must certify the Subscription Form and return the certified Subscription Form to the Offering Agent prior to the Expiration Time. The duly completed and executed Subscription Form must be certified by the Nominee and received by the Offering Agent prior to the Expiration Time. The Eligible Holder Subscription Amount also must be delivered to the Escrow Account prior to the Expiration Time. Such Eligible Holders should allow sufficient time for the Nominee to certify the Subscription Form and deliver such Subscription Form to the Offering Agent prior to the Expiration Time.

Unexercised Rights will be cancelled at the Expiration Time. Each Eligible Holder may purchase up to its Eligible Holder Offering Pro Rata Share pursuant to the Subscription Form, however, an Eligible Holder will be deemed to have relinquished and waived its Rights to the extent the Offering Agent for any reason does not receive from such Eligible Holder, during the Offering Period, (i) a duly completed and executed Subscription Form, certified by the Nominee, and (ii) the Eligible Holder Subscription Amount. After the Expiration Time, any unexercised Rights will expire and the Remaining Senior Noteholder Offering Amount underlying the expired Rights will be allocated to the Participating Consortium Noteholders for purchase by them pursuant to and in accordance with the Equity Commitment Agreement (as further described in Section 5 herein).

Any attempt to exercise any Rights after the Expiration Time will be null and void and the Debtors are not required to honor any Subscription Form or other documentation received by the Offering Agent relating to any purported exercise of Subscription Rights after the Expiration Time, regardless of when such Subscription Form or other documentation was sent.

The method of delivery of the Subscription Form and any other required documents by each Eligible Holder is at such Eligible Holder's option and sole risk, and delivery will be considered made only when such Subscription Form and other documentation are actually received by the Offering Agent. If delivery is by mail, the use of registered mail with return receipt requested, properly insured, is encouraged and strongly recommended. In all cases, you should allow sufficient time to ensure timely delivery prior to the Expiration Time.

11. Eligible Holder Subscription Amount

Each Eligible Holder (other than a Participating Consortium Noteholder) may subscribe for a dollar amount of the Offering Units up to its Eligible Holder Pro Rata Share in a minimum denomination of $1,000. For each $1,000 of Offering Units that an Eligible Holder subscribes for in the Offering, the Eligible Holder will receive $1,000 of the Third Lien Exit Facility and [●] New Class A LLC Units. In addition, for each $1,000 of Offering Units subscribed for by an Eligible Holder (other than a Participating Consortium Noteholder), such Eligible Holder will be required to fund $1,142.86 of the Senior Exit Facility.

As a result, for an aggregate subscription price equal to $2,142.86, an Eligible Holder will receive (a) $1,000 of the Third Lien Exit Facility, (b) [●] New Class A LLC Units and (c) $1,142.86 of the Senior Exit Facility (the "Senior Noteholder Unit Price").

Each Eligible Holder will be required to pay the aggregate Senior Noteholder Unit Price for each $1,000 of Offering Units the Eligible Holder purchases pursuant to its Eligible Holder Pro Rata Share (the "Eligible Holder Subscription Amount"), at the time it elects to exercise such Rights and in any event on or before the Expiration Time.

Each Eligible Holder, who is a lender under the DIP Senior Loan Facility, may elect to fund all or a portion of its share of the Senior Exit Facility by deferring payment of its portion of the DIP Senior Loan on the Effective Date and rolling it over into the Senior Exit Facility, provided that such Eligible Holder shall be required to pay for the Offering Units that it purchases in the Offering in cash, by wire transfer of immediately available funds. Each Eligible Holder shall also be required to pay its portion of the Senior Exit Facility, in cash, by wire transfer of immediately available funds, to the extent it does not defer payment of its portion of the DIP Senior Loan on the Effective Date and does not roll such amount over into the Senior Exit Facility.

12. Purchases of Commitments by Commitment Parties

Prior to the Offering Commencement Date, the Company will enter into an Equity Commitment Agreement with Sciens, Fidelity, Newport and each of the Participating Consortium Noteholders (each, a "Commitment Party", and collectively, the "Commitment

Parties") pursuant to which each Commitment Party, severally and not jointly, will agree to purchase at the Closing, and the Company will agree to sell at the Closing, its Commitment.

Pursuant to the Equity Commitment Agreement, the Company will give each of the Commitment Parties, as soon as reasonably practicable but in no event later than December 24, 2015, by overnight mail, electronic mail or by facsimile transmission, written notification setting forth (a) the number of Offering Units required to be purchased and the amount of the Senior Exit Facility required to be funded (as applicable) by such Commitment Party (which, with respect to the Participating Consortium Noteholders only, shall include the number of Remaining Units required to be purchased and the amount of the Remaining Senior Exit Facility required to be funded by such Participating Consortium Noteholder in accordance with its Backstop Commitment Percentage) and (b) the targeted Effective Date. The Company shall also provide each Commitment Party with an equity commitment subscription form (the "Equity Commitment Subscription Form") to be completed by such Commitment Party.

Each Commitment Party will purchase its Commitment by (i) duly executing an Equity Commitment Subscription Form and (ii) delivering the applicable Commitment Amount (defined below) to the Escrow Account on or before December 28, 2015, in accordance with the terms of the Equity Commitment Agreement.

13. Commitment Amounts

In consideration for its Commitment, each Commitment Party will be required to pay its respective Commitment Amount to the Escrow Account on or before December 28, 2015, in accordance with the terms of the Equity Commitment Agreement and described below:

i. Fidelity and Newport will, severally and not jointly, pay its allocable portion of an aggregate Commitment Amount equal to $32,142,857 (the "Fidelity/Newport Commitment Amount"), which includes $15 million of Offering Units and $17,142,857 of the Senior Exit Facility;

ii. Sciens will pay an aggregate Commitment Amount equal to $15 million (the "Sciens Group Commitment Amount"), which includes $15 million of Offering Units; and

iii. for each $1,000 of Offering Units that a Participating Consortium Noteholder commits to purchase in the Offering, the Eligible Holder will receive $1,000 of the Third Lien Exit Facility and [●] New Class A LLC Units. In addition, for each $1,000 of Offering Units that a Participating Consortium Noteholder purchases in the Offering, such Participating Consortium Noteholder will be required to fund $1,142.86 of the Senior Exit Facility. Each Participating Consortium Noteholder will pay an aggregate Commitment Amount (the "Participating Consortium Noteholder Commitment Amount") equal to aggregate Senior Noteholder Unit Price (equal to $2,142.86, consisting of $1,000 of Offering Units and $1,142.86 of Senior Exit Facility) for each $1,000 of Offering Units the Participating Consortium Noteholder purchases pursuant to its Commitment.

Each Participating Consortium Noteholder, that is a Lender under the DIP Senior Loan Facility, may elect to fund all or a portion of its share of the Senior Exit Facility by deferring payment of its portion of the DIP Senior Loan on the Effective Date and rolling it over into the Senior Exit Facility, provided that such Participating Consortium Noteholder shall be required to pay for the Offering Units that it purchases in the Offering in cash, by wire transfer of immediately available funds. Each Participating Consortium Noteholder shall also be required to pay its portion of the Senior Exit Facility, in cash, by wire transfer of immediately available funds to the Escrow Account, to the extent it does not defer payment of its portion of the DIP Senior Loan on the Effective Date and does not roll such amount over into the Senior Exit Facility.

Against receipt of a Commitment Party's Commitment Amount, the Commitment Party will receive (i) $1,000 of the Third Lien Facility for each $1,000 of Offering Units purchased by such Commitment Party, (ii) [●] New Class A LLC Units for every $1,000 of the Third Lien Exit Facility purchased by such Commitment Party at the Closing and (iii) with respect to Fidelity and Newport, an aggregate of $17,142,857 of the Senior Exit Facility, and with respect to a Participating Consortium Noteholder, $1,142.86 of the Senior Exit Facility for each $1,000 of Offering Units purchased by such Participating Consortium Noteholder.

14. Receipt of Proceeds from the Offering

All funds paid in connection with an Eligible Holder's subscription or a Commitment Holder's commitment pursuant to these Offering Procedures (such funds, other than amounts of the DIP Senior Loan Facility which are rolled over in accordance with the Offering Procedures, the "Offering Funds") will be deposited when transferred and held in escrow by the Offering Agent in the Escrow Account pending the Closing. The Escrow Account (a) will be separate and apart from the Offering Agent's general operating funds and from any other funds subject to any lien or any cash collateral arrangements and (b) will be maintained for the sole purpose of holding the Offering Funds for administration of the Offering.

The Offering Agent will not use the Offering Funds for any purpose other than to release such funds as directed by the Debtors pursuant to the Plan on the Closing Date and will not encumber or permit the Offering Funds to be encumbered by any lien or other encumbrance. No interest will be paid on account of the Offering Funds or other amounts paid in connection with the Offering under any circumstances. The Offering Funds will not be property of the Debtors' estates until the occurrence of the Effective Date.

In the event that the Offering Agent receives more funds from an Eligible Holder or Commitment Party than such Person's Eligible Holder Subscription Amount and/or Commitment Amount, then such funds, to the extent of such overpayment, will be returned, without interest, to the applicable Eligible Holder or Commitment Party as soon as reasonably practicable, but in any event within six (6) Business Days after the Closing Date.

In the event that the Equity Commitment Agreement or the Offering is terminated for any reason, the Offering Agent will return from the Escrow Account, as soon as reasonably practicable following such termination, to each Eligible Holder and Commitment Party, without

interest, the amount in cash actually funded to the Escrow Account by such Eligible Holder or Commitment Party.

15. Transfer of Notes

Holders may transfer their Senior Notes until the time that such notes are deposited in the Class 4-A or Class 4-B Election Accounts, provided, however, that if a Holder wishes to transfer its Senior Notes, the Holder should ensure that the trade settles prior to the Offering Record Date. Senior Notes may not be withdrawn from the Class 4-A or 4-B Election Accounts after a Nominee has tendered them to the Class 4-A or 4-B Election Accounts at DTC. No further trading will be permitted in the Senior Notes held in the Class 4-A or 4-B Election Accounts at DTC.

Each Right may only be exercised by the Eligible Holder who, on the Offering Record Date, is the holder of the Senior Notes in respect of which such Right was distributed.

Commitments of a Commitment Party may be transferred in accordance with the terms and conditions of the Equity Commitment Agreement.

16. Revocation

Once an Eligible Holder has validly exercised its Rights, such exercise will be irrevocable.

17. Distribution of Offering Amounts

The Closing Date will be the date on which all conditions to closing set forth in the Equity Commitment Agreement have been satisfied or duly waived, which date may be on or after the Effective Date.

On the Closing Date, the Company and representatives designated by the Requisite Commitment Parties will provide notice to the Offering Agent that the conditions precedent to the Closing have been satisfied (or waived) and the amounts in the Escrow Account will be released to the Company and the rollover of amounts of the DIP Senior Exit Facility which the Participating Holder has elected to roll over will be effected.

At the Closing, the Company will issue an aggregate of [●] New Class A LLC Units. The New Class A LLC Units issued to the Eligible Holders that validly exercised their Rights in the Offering will be issued in the name of each Eligible Holder's Nominee. The New Class A LLC Units issued at the Closing will be issued in book entry form and will not be certificated.

At the Closing, each Beneficial Owner of Senior Notes which is an Eligible Holder that validly exercised its Rights in the Offering will be deemed to become a Lender under and pursuant to the Senior Exit Facility and the Third Lien Exit Facility. At the Closing, the Company will record the names of such Beneficial Owners and the amounts of the Third Lien Exit Facility and the Senior Exit Facility funded by each such beneficial owner will be recorded on the Schedule of Lenders for the Third Lien Exit Facility and the Senior Exit Facility, respectively.

No Fractional New Class A LLC Units

No fractional New Class A LLC Units will be issued. All New Class A LLC Units issued in connection with the Offering will be rounded down to the nearest whole unit. No compensation will be paid in respect of such adjustment.

Upon the Closing of the Offering, (i) each holder of New Class A LLC Units will automatically be deemed to be party to, and will be subject to the terms and conditions of the Reorganized Parent LLC Agreement and (ii) each Holder (as defined in the Registration Rights Agreement) will automatically be deemed to be party to, and will be subject to the terms and conditions of the Registration Rights Agreement. The terms and conditions of the Reorganized Parent LLC Agreement and the Registration Rights Agreement are further described in the Plan.

Further, upon the Closing of the Offering, each Beneficial Owner of Senior Notes (that is an Eligible Holder) that exercises its Right to participate in the Offering, will become a "Lender" under the Senior Exit Facility and the Third Lien Exit Facility and will automatically be deemed to be party to, and subject to the terms and conditions of the Senior Secured Credit Agreement and the Third Lien Credit Agreement. The terms and conditions of the Senior Secured Credit Agreement and the Third Lien Credit Agreement are further described in the Plan

18. Exemption from Securities Act Registration

The securities to be issued by Reorganized Parent and distributed to the Eligible Holders upon valid exercise of the Rights or to the Commitment Parties pursuant to the Equity Commitment Agreement will be offered, sold, issued and distributed without registration under the Securities Act, in reliance on the exemption provided in Section 4(a)(2) of the Securities Act or the exemption provided in Regulation D under the Securities Act. As a result, such securities will be "restricted securities" within the meaning of Rule 144 under the Securities Act ("Rule 144") and subject to volume and other limitations thereunder. The securities to be issued by Reorganized Parent and distributed to the Participating Holders upon the valid exercise of the Rights or pursuant to the Equity Commitment Agreement will be subject to restrictions on transfer, and if issued in certificated form will bear the following legend (and may, if issued in non-certificated form, be electronically coded to the following effect):

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND ACCORDINGLY THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT (I) TO A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION NOT INVOLVING A PUBLIC OFFERING EXEMPT FROM REGISTRATION UNDER THE SECURITIES ACT, (II) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 UNDER THE SECURITIES ACT, (III) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (V) TO THE REORGANIZED DEBTORS OR

(VI) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS IN ANY STATE OF THE UNITED STATES, AND PROVIDED THAT, IN THE CASE OF ANY TRANSFER PURSUANT TO (I) - (III) AND (VI) ABOVE, THE COMPANY MAY REQUIRE THE DELIVERY OF A WRITTEN OPINION OF COUNSEL, CERTIFICATIONS AND/OR ANY OTHER INFORMATION IT REASONABLY REQUIRES TO CONFIRM THE SECURITIES ACT EXEMPTION FOR SUCH TRANSACTION. FURTHER, NO TRANSFERS OF ANY SECURITIES SHALL BE MADE: (I) TO ANY COMPETITOR OF THE REORGANIZED DEBTORS OR ANY OF SUCH COMPETITOR'S AFFILIATES; OR (II) IF SUCH TRANSFERS WOULD RESULT IN THE REORGANIZED PARENT (OR ANY OTHER OF THE REORGANIZED DEBTORS) BEING TREATED AS A PUBLICLY TRADED COMPANY AND THEREFORE BEING REQUIRED BY THE SECURITIES ACT OR THE EXCHANGE ACT OR ANY OTHER SIMILAR REGULATORY AUTHORITY TO FILE PERIODIC RECORDS UNDER SECTION 13 OR SECTION 15(D) OF THE EXCHANGE ACT."

In addition, the New Class A LLC Units and the New Class B LLC Units issued in connection with the Offering, as described above, will be subject to restrictions on transfer pursuant to the LLC Agreement of the Reorganized Parent, and if issued in certificated form will bear the following legend (and may, if issued in non-certificated form, be electronically coded to the following effect):

"THE UNITS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO AN AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT (THE "**LLC AGREEMENT**") AMONG THE COMPANY AND ITS MEMBERS, A COPY OF WHICH IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF THE UNITS REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH LLC AGREEMENT."

Please refer to Section V.C of the Disclosure Statement and Section 5.4 of the Plan and Exhibit C thereto for information regarding the issuance of New Class A LLC Units pursuant to the Equity Commitment Agreement and the Plan.

19. Disputes, Waivers and Extensions

Any and all disputes concerning the timeliness, viability, eligibility, form or completeness of any exercise of Rights, or the eligibility of any Holder of Senior Notes to be treated as an Eligible Holder and/or a Participating Consortium Noteholder, or of any Senior Notes to be treated as RSA Senior Notes will be addressed in good faith by the Debtors, in consultation with the Commitment Parties. Any determination made by the Debtors with respect to such disputes will be final and binding. The Debtors may (i) waive any defect or irregularity, or permit such a defect or irregularity to be corrected, within such times as the Debtors may determine to be appropriate, or (ii) reject any Subscription Form, the exercise thereof and/or payment of the Eligible Holder Subscription Amount includes defects or irregularities.

Subscription Forms will be deemed not to have been properly completed until all defects and irregularities have been waived or cured within such time as the Debtors determine in their reasonable discretion and in good faith. The Debtors reserve the right, but are under no obligation, to give notice to any Eligible Holder regarding any defect or irregularity in connection with any purported exercise of Subscription Rights by such Eligible Holder. The Debtors may, but are under no obligation to, permit such defect or irregularity in any Subscription Form to be cured; provided, however, that none of the Debtors (including any of their respective officers, directors, employees, agents or advisors) or the Offering Agent will incur any liability for any failure to give such notification.

The Debtors may extend the Expiration Time, from time to time, with the consent of the Requisite Commitment Parties (such consent not to be unreasonably withheld, conditioned or delayed). The Offering Agent will promptly notify by mail, electronic mail or facsimile transmission the Eligible Holders of such extension and of the time and date of the new Expiration Time.

20. Offering Conditioned Upon Plan Confirmation; Reservation of Rights

All exercises of Rights are subject to and conditioned upon confirmation of the Plan, the occurrence of the Effective Date and the Closing of the transactions contemplated by the Equity Commitment Agreement. In the event that the Plan is not confirmed and consummated on or prior to the Outside Date (as defined in the Equity Commitment Agreement), all Offering Funds held by the Offering Agent will be refunded, without interest, to each respective Participating Holder as soon as reasonably practicable.

Notwithstanding anything contained herein, the Plan or the Disclosure Statement, the Debtors and the Requisite Commitment Parties reserve the right to modify these Offering Procedures in order to comply with applicable law.

21. Inquiries and Transmittal of Documents; Offering Agent

Questions relating to these Offering Procedures, the proper completion of the Subscription Form, or otherwise participating in the Offering should be directed to the Offering Agent at:

Colt Holding Company LLC
c/o Kurtzman Carson Consultants LLC ("KCC")
1290 Avenue of the Americas, 9th Floor
New York, NY 10104
Telephone: 917-281-4800 - Email: ColtInfo@kccllc.com

All documents relating to the Offering are available from the Offering Agent as set forth herein. In addition, such documents, together with all filings made with the Bankruptcy Court in the Debtors' Chapter 11 Cases, are available free of charge from the Debtors.

EXHIBIT A

Defined Terms

"Affiliate" means with respect to any Person, any other Person who, directly or indirectly (including through one or more intermediaries), controls, is controlled by, or is under common control with, such Person. For purposes of this definition, "control," when used with respect to any specified Person, shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities or partnership or other ownership interests, by contract or otherwise; and the terms "controlling" and "controlled" shall have correlative meanings.

"Backstop Commitment Percentages" has the meaning set forth in the Equity Commitment Agreement.

"Backstop Set Aside Amount" has the meaning set forth in Section 5 of these Offering Procedures.

"Bankruptcy Court" has the meaning set forth on the cover page of these Offering Procedures.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required to close.

"Chapter 11 Cases" has the meaning set forth on the cover page of these Offering Procedures.

"Closing" has the meaning set forth in the Equity Commitment Agreement.

"Commencement Date" has the meaning set forth in Section 84 of these Offering Procedures.

"Commitment Party" has the meaning set forth in Section 12 of these Offering Procedures.

"Commitment" means, with respect to a Commitment Party, the Participating Consortium Noteholder Commitment, the Sciens Group Commitment or the Fidelity/Newport Commitment, as applicable.

"Commitment Amount" means, with respect to a Commitment Party, the Participating Consortium Noteholder Commitment Amount, the Sciens Group Commitment Amount or the Fidelity/Newport Commitment Amount, as applicable.

"Consortium Members" has the meaning set forth in Section 3 of these Offering Procedures.

"Consortium Party" has the meaning set forth in Section 3 of these Offering Procedures.

"Debtors" has the meaning set forth on the cover page of these Offering Procedures.

"Eligible Holder Offering Pro Rata Share" has the meaning set forth in Section 4 of these Offering Procedures.

"Eligible Holder Pro Rata Share" has the meaning set forth in Section 4 of these Offering Procedures.

"Eligible Holder Senior Exit Facility Pro Rata Share" has the meaning set forth in Section 4 of these Offering Procedures.

"Eligible Holder Subscription Amount" has the meaning set forth in Section 11 of these Offering Procedures.

"Eligible Holder" has the meaning set forth in Section 1 of these Offering Procedures.

"Equity Commitment Agreement" has the meaning set forth in Section 1 of these Offering Procedures.

"Equity Commitment Subscription Form" has the meaning set forth in Section 12 of these Offering Procedures.

"Escrow Account" means an account designated by the Offering Agent.

"Expiration Time" has the meaning set forth in Section 8 of these Offering Procedures.

"Fidelity" has the meaning set forth in Section 1 of these Offering Procedures.

"Fidelity/Newport Commitment" has the meaning set forth in Section 6 of these Offering Procedures.

"Fidelity/Newport Commitment Amount" has the meaning set forth in Section 13 of these Offering Procedures.

"Governmental Entity" means any U.S. or non-U.S. international, regional, federal, state, municipal or local governmental, judicial, administrative, legislative or regulatory authority, entity, instrumentality, agency, department, commission, court, or tribunal of competent jurisdiction (including any branch, department or official thereof).

"Members of the Consortium" means the members of the Consortium as of October 9, 2015 and any assignees of RSA Senior Notes.

"New Class A LLC Units" has the meaning set forth in Section 1 of these Offering Procedures.

"New Class B LLC Units" has the meaning set forth in Section 3 of these Offering Procedures.

"Newport" has the meaning set forth in Section 1 of these Offering Procedures.

"Non-Consortium Member Senior Notes" has the meaning set forth in Section 3 of these Offering Procedures.

"Noteholder Offering Allocation" has the meaning set forth in Section 1 of these Offering Procedures.

"Offering" has the meaning set forth in Section 1 of these Offering Procedures.

"Offering Agent" means Kurtzman Carson Consultants LLC or KCC.

"Offering Denominator" has the meaning set forth in Section 4 of these Offering Procedures.

"Offering Funds" has the meaning set forth in Section 14 of these Offering Procedures.

"Offering Materials" has the meaning set forth in Section 9 of these Offering Procedures.

"Offering Period" has the meaning set forth in Section 8 of these Offering Procedures.

"Offering Record Date" has the meaning set forth in Section 7 of these Offering Procedures.

"Offering Units" has the meaning set forth in Section 1 of these Offering Procedures.

"Participating Consortium Noteholder Commitment" has the meaning set forth in Section 5 of these Offering Procedures.

"Participating Consortium Noteholder Commitment Amount" has the meaning set forth in Section 13 of these Offering Procedures.

"Participating Consortium Noteholder Offering Pro Rata Share" has the meaning set forth in Section 5 of these Offering Procedures.

"Participating Consortium Noteholder Pro Rata Share" has the meaning set forth in Section 5 of these Offering Procedures.

"Participating Consortium Noteholder Senior Exit Facility Pro Rata Share" has the meaning set forth in Section 5 of these Offering Procedures.

"Participating Consortium Noteholders" has the meaning set forth in Section 3 of these Offering Procedures.

"Participating Holders" has the meaning set forth in Section 1 of these Offering Procedures.

"Person" means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, associate, trust, Governmental Entity or other entity or organization.

"Plan" has the meaning set forth on the cover page of these Offering Procedures.

"Registration Rights Agreement" means that certain Registration Rights Agreement by and among the Company and each Holder (as defined in the Registration Rights Agreement) that becomes party to the Registration Rights Agreement pursuant to the terms thereof.

"Remaining Senior Exit Facility" has the meaning set forth in Section 5 of these Offering Procedures.

"Remaining Senior Noteholder Offering Amount" has the meaning set forth in Section 5 of these Offering Procedures.

"Remaining Units" has the meaning set forth in Section 5 of these Offering Procedures.

"Reorganized Parent LLC Agreement" means that certain Second Amended and Restated Limited Liability Company Agreement of the Company by and among the Company and its Members (as described in the Reorganized Parent LLC Agreement).

"Requisite Commitment Parties" means all of (a) Fidelity and Newport (provided that neither is a Defaulting Commitment Party (as such term is defined in the Equity Commitment Agreement), (b) Sciens (provided that Sciens is not a Defaulting Commitment Party) and (c) Participating Consortium Noteholders (which are not Defaulting Commitment Parties) holding a majority of the RSA Senior Notes held by Participating Consortium Noteholders (which are not Defaulting Commitment Parties).

"Restructuring Support Agreement" has the meaning set forth in Section 3 of these Offering Procedures.

"Right" has the meaning set forth in Section 4 of these Offering Procedures.

"RSA Record Date" has the meaning set forth in Section 3 of these Offering Procedures.

"RSA Senior Notes" has the meaning set forth in Section 3 of these Offering Procedures.

"Rule 144" has the meaning set forth in Section 18 of these Offering Procedures.

"Sciens" has the meaning set forth in Section 1 of these Offering Procedures.

"Sciens Group Commitment" has the meaning set forth in Section 6 of these Offering Procedures.

"Sciens Group Commitment Amount" has the meaning set forth in Section 13 of these Offering Procedures.

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

"Senior Exit Facility Participating Holder Allocation" has the meaning set forth in Section 1 of these Offering Procedures.

"Senior Exit Facility" has the meaning set forth in Section 1 of these Offering Procedures.

"Senior Noteholder Offering" has the meaning set forth in Section 1 of these Offering Procedures.

"Senior Noteholder Unit Price" has the meaning set forth in Section 11 of these Offering Procedures.

"Subscription Form" has the meaning set forth in Section 9 of these Offering Procedures.

"Third Lien Exit Facility" has the meaning set forth in Section 1 of these Offering Procedures.

"Voting Deadline" has the meaning set forth in Section 2 of these Offering Procedures.

Exhibit G

Contracts to Be Rejected in Connection with the Plan

[Previously Filed – See Docket No. 720]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
COLT HOLDING COMPANY LLC, *et al.*,[1]	Case No. 15-11296 (LSS)
Debtors.	Jointly Administered

NOTICE OF CONTRACTS AND LEASES TO BE REJECTED IN CONNECTION WITH THE DEBTORS' SECOND AMENDED JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

YOU ARE RECEIVING THIS NOTICE BECAUSE YOU MAY BE A COUNTERPARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE WITH COLT HOLDING COMPANY LLC OR ONE OR MORE OF ITS AFFILIATED DEBTORS (COLLECTIVELY, THE "DEBTORS"). PLEASE READ THIS NOTICE CAREFULLY AS YOUR RIGHTS MAY BE AFFECTED BY THE TRANSACTIONS DESCRIBED HEREIN.

PLEASE TAKE NOTICE that on or about June 14, 2015, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").

PLEASE TAKE FURTHER NOTICE that on November 10, 2015, the Debtors filed the solicitation version of the *Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 675] (the "**Plan**") and the solicitation version of the *Disclosure Statement for the Debtors' Second Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code* [D.I. 678, 688] (the "**Disclosure Statement**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

PLEASE TAKE FURTHER NOTICE that on November 10, 2015, the Bankruptcy Court entered the *Order (I) Approving Disclosure Statement, (II) Approving Voting and*

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are Colt Holding Company LLC (0094); Colt Security LLC (4276); Colt Defense LLC (1950); Colt Finance Corp. (7687); New Colt Holding Corp. (6913); Colt's Manufacturing Company LLC (9139); Colt Defense Technical Services LLC (8809); Colt Canada Corporation (5534); Colt International Coöperatief U.A. (6822); and CDH II Holdco Inc. (1782). The address of the Debtors' corporate headquarters is: 547 New Park Avenue, West Hartford, Connecticut 06110.

Tabulation Procedures, (III) Setting Confirmation Hearing and Related Deadlines and (IV) Granting Related Relief [D.I. 682] (the "**Solicitation Procedures Order**"), which, among other things, sets (i) **December 2, 2015**, as the date by which the Debtors shall file and serve notice of contracts and leases proposed to be rejected in connection with the Plan, (ii) **December 9, 2015, at 4:00 p.m. (Eastern Standard Time)** as the deadline to file and serve objections to confirmation of the Plan, and (iii) **December 16, 2015, at 9:00 a.m. (Eastern Standard Time)** as the first scheduled date and time of the hearing on confirmation of the Plan.

PLEASE TAKE FURTHER NOTICE that on November 13, 2015, the Ontario Superior Court of Justice (Commercial List) recognized and gave full force and effect to the Solicitation Procedures Order.

PLEASE TAKE FURTHER NOTICE that pursuant to Section 8.1 of the Plan, all executory contracts and unexpired leases of the Debtors will be assumed by the Reorganized Debtors as of the Effective Date in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for, without limitation, those executory contracts and unexpired leases that are identified in the Plan Supplement as executory contracts or unexpired leases to be rejected pursuant to the Plan (such contracts and leases listed thereon, the "**Designated Contracts**"), a copy of which is attached to this notice as Exhibit 1. The list of the executory contracts and unexpired leases that the Debtors intend to reject in connection with the Plan will also available (i) by accessing the website of the Debtors' noticing agent, Kurtzman Carson Consultants LLC ("**KCC**"), at http://www.kccllc.net/coltdefense (the "**Website**") or (ii) upon request to KCC by telephone for U.S. callers at +1 (888) 251-3076 (toll free) and for international callers at +1 (310) 751-2617 (caller paid).

PLEASE TAKE FURTHER NOTICE that the Debtors have identified you as a party to one or more Designated Contracts.

PLEASE TAKE FURTHER NOTICE that the Debtors seek to reject each of the Designated Contracts as of the Effective Date in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code.

PLEASE TAKE FURTHER NOTICE that you must file and serve any objections to the proposed rejection set forth in this notice **no later than 4:00 p.m. (Eastern Standard Time) on December 9, 2015** (the "**Objection Deadline**").

PLEASE TAKE FURTHER NOTICE that to the extent you object to the proposed rejection of your respective Designated Contract set forth in this notice, then **you must file with the Bankruptcy Court and serve an objection upon the following parties, so as to be actually received or presented by no later than the Objection Deadline:** (i) co-counsel to the Debtors, O'Melveny & Myers LLP, Times Square Tower, Seven Times Square, New York, New York 10036 (Attn: John J. Rapisardi, Esq., Peter Friedman, Esq., and Joseph Zujkowski, Esq.; Fax: (212) 326-2061) and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq., and Jason M. Madron, Esq.; Fax: (302) 498-7595); (ii) co-counsel to the DIP Senior Loan Lenders, Brown Rudnick LLP, Seven Times Square, New York, New York 10036 (Attn: Robert J. Stark, Esq.; Fax (212) 209-4801) and One Financial Center, Boston, Massachusetts 02111 (Attn: Steven

Levine, Esq.; Fax: (617) 289-0419) and Ashby & Geddes LLP, 500 Delaware Avenue, No. 8, Wilmington, Delaware 19801 (Attn: William P. Bowden, Esq.; Fax: (302) 654-2067); (iii) co-counsel to the DIP Term Loan Lender and Prepetition Term Loan Lender, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019 (Attn: John Longmire, Esq.; Fax: (212) 728-9574) and Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, 16th Floor, Wilmington, Delaware 19899 (Attn: Robert Dehney, Esq.; Fax: (302) 425-4673); (iv) co-counsel to the Creditors' Committee, Kilpatrick Townsend & Stockton LLP, 1100 Peachtree Street NE, Suite 2800, Atlanta, Georgia 30309 (Attn: Todd Meyers, Esq.; Fax: (404) 541-3307) and The Grace Building, 1114 Avenue of the Americas, New York, New York 10036 (Attn: David Posner, Esq. and Shane Ramsey, Esq.; Fax: (212) 658-9523) and Klehr Harrison Harvey Branzburg LLP, 919 Market Street, Suite 1000, Wilmington, Delaware 19801 (Attn: Domenic Pacitti, Esq.; Fax: (302) 426-9193); (v) counsel to the Sciens Group, Skadden, Arps, Slate, Meagher & Flom LLP; 4 Times Square, New York, New York 10036 (Attn: Jay M. Goffman, Esq.; Fax: (917) 777-2120); and (vi) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 North King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Tiiara N.A. Patton, Esq.). **Any objection to the proposed rejection must state with specificity the legal and factual basis on which the objection is premised.**

PLEASE TAKE FURTHER NOTICE that if a dispute arises as to any matter pertaining to the rejection of a Designated Contract, such dispute shall not prevent or delay confirmation of the Plan or the occurrence of the Effective Date.

PLEASE TAKE FURTHER NOTICE that if you fail to timely file and serve an objection as provided herein, you shall be deemed to have consented to the Debtors' proposed rejection of your applicable Designated Contract in connection with the Plan and shall be forever barred from asserting any objection with regard to such rejection.

PLEASE TAKE FURTHER NOTICE that if an objection to rejection is sustained by the Bankruptcy Court, then the Debtors or the Reorganized Debtors, as applicable, in their sole option, may elect to assume such Designated Contract in lieu of rejecting it.

PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and served with respect to a Designated Contract in accordance with this notice, then the Bankruptcy Court may grant the relief described herein without further notice or hearing, and the order confirming the Plan (once entered) (the "**Confirmation Order**") will constitute an order of the Bankruptcy Court approving the rejection of such Designated Contract pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

PLEASE TAKE FURTHER NOTICE THAT ALL PROOFS OF CLAIM WITH RESPECT TO CLAIMS ARISING FROM THE REJECTION OF EXECUTORY CONTRACTS OR UNEXPIRED LEASES MUST BE FILED ON OR BEFORE THE THIRTIETH (30TH) DAY AFTER SERVICE OF THE CONFIRMATION ORDER. **ANY CLAIM ARISING FROM THE REJECTION OF AN EXECUTORY CONTRACT OR UNEXPIRED LEASE FOR WHICH PROOF OF SUCH CLAIM IS NOT FILED WITHIN SUCH TIME PERIOD SHALL BE FOREVER BARRED FROM ASSERTION AGAINST ANY OF THE DEBTORS, THE ESTATES, OR THE REORGANIZED**

DEBTORS OR THEIR PROPERTY, UNLESS OTHERWISE ORDERED BY THE BANKRUPTCY COURT. Any Allowed Claim arising from the rejection of executory contracts or unexpired leases for which proof of such Claim has been timely filed shall be, and shall be treated as, an Allowed General Unsecured Claim under the terms of the Plan, subject to any limitation under section 502(b) of the Bankruptcy Code or otherwise.

PLEASE TAKE FURTHER NOTICE that the listing of a Designated Contract on Exhibit 1 does not constitute an admission that the agreement is an executory contract or unexpired lease as contemplated by section 365(a) of the Bankruptcy Code or that the Debtors have any liability thereunder, and the Debtors expressly reserve all of their rights, claims, causes of action, and defenses with respect to the Designated Contracts listed on Exhibit 1.

PLEASE TAKE FURTHER NOTICE that the listing of a Designated Contract on Exhibit 1 shall not be deemed or construed as a limitation or waiver of the Debtors' ability to remove any Designated Contract therefrom in its entirety and thereafter seek to assume such Designated Contract. All such rights of the Debtors are reserved until the Effective Date.

Dated: November 27, 2015
Wilmington, Delaware

/s/ Joseph C. Barsalona II

RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Jason M. Madron (No. 4431)
Joseph C. Barsalona II (No. 6102)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801

- and -

O'MELVENY & MYERS LLP
John J. Rapisardi (admitted *pro hac vice*)
Peter Friedman (admitted *pro hac vice*)
Joseph Zujkowski (admitted *pro hac vice*)
Times Square Tower
Seven Times Square
New York, New York 10036

Attorneys for the Debtors and Debtors in Possession

Exhibit 1

Designated Contracts

Counterparty Name	Title or Description of Contract
Athanassios Foundas	Outside Consultants
Belcourt, Ronald	Employment Agreement
Business Wire, Inc.	Administration
Cambridge Advisory Group, Inc.	Outside Consultants
CareerBuilder, LLC	Administration
Carne, John	Employment Agreement
CF Intellectual Property Limited	Non-firearm royalties arising from Purchase and Sale Agreement dated Aug 22, 1994
Choquette, Robert	Employment Agreement
Coghlin, John H	Employment Agreement
COOPER FIREARMS OF MONTANA, INC.	Open Prepetition Purchase Order
COOPER FIREARMS OF MONTANA, INC.	Open Prepetition Purchase Order
COOPER FIREARMS OF MONTANA, INC.	Open Prepetition Purchase Order
D.M.Aircraft Services Inc.	Domestic Distributor Agreement
Davis, Janet	Employment Agreement
Deloitte Tax LLP	Outside Consultants
Duff & Phelps, LLC	Outside Consultants
Fiondella Milone & Lasaracina LLP	Pension Audit
Flaherty, Scott	Employment Agreement
Green Group Global LLC	Domestic Distributor Agreement
Green, Kevin G.	Employment Agreement
Grove, Nathan	Employment / Contractor Agreement
J.A. Green & Company	Outside Consultants
Juergens, Kenneth	Employment Agreement
Lancour, Gerald	Employment Agreement
Langevin, Kevin R.	Employment Agreement
Management Search Inc.	Recruiter
Masciadrelli, Jeffrey	Employment Agreement
MERKEL JAGD- UND SPORTWAFFEN GMBH	Patent License Agreement
MERKEL JAGD- UND SPORTWAFFEN GMBH	Know-How and Patent License and Technology Transfer Agreement
Merrill Communications LLC	Administration
NRA Life of Duty	Marketg/Adv Payable
Pricewaterhouse Coopers LLP	Outside Consultants

Counterparty Name	Title or Description of Contract
Protiviti, Inc.	Outside Consultants
Robert Half Finance & Accounting	Administration
Sciens Institutional Services LLC	Consulting Fees
Sciens Management LLC	Management Fee
Severance 001	Severance Agreement
Severance 002	Severance Agreement
Severance 003	Severance Agreement
Severance 004	Severance Agreement
Severance 005	Severance Agreement
Severance 006	Severance Agreement
Severance 007	Severance Agreement
Severance 008	Severance Agreement
Severance 009	Severance Agreement
Spitale, Paul	Employment Agreement
State of Florida-QACF Program	Government Agencies
Tom Donagher & Sons Landscaping	Landscaping & Snow Removal
Toth Inc	Marketg/Adv Payable
Vargo, Raymond	Employment Agreement
Veilleux, Dennis	Employment Agreement
White, Glenna	Employment Agreement
Whittlesey & Hadley, PC	Tax & Audit Services