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Attorneys for Debtors  
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
: In re : Chapter 11  
: :  
: Hostess Brands, Inc., *et al.*,<sup>1</sup> : Case No. 12-22052 (RDD)  
: :  
: Debtors. : (Jointly Administered)  
: :  
-----X

**NOTICE OF AMENDMENT TO THE DIP CREDIT AGREEMENT**

**PLEASE TAKE NOTICE THAT:**

1. On January 11, 2012, the above-captioned debtors and debtors in possession (the "Debtors") filed the Motion of Debtors and Debtors in Possession for Interim and Final Orders, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 and 364, Rules 4001 and 9014 of the Federal Rules of Bankruptcy Procedure and Rule 4001-2 of the Local Bankruptcy Rules for the

<sup>1</sup> The Debtors are the following six entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Hostess Brands, Inc. (0322), IBC Sales Corporation (3634), IBC Services, LLC (3639), IBC Trucking, LLC (8328), Interstate Brands Corporation (6705) and MCF Legacy, Inc. (0599).



Southern District of New York: (A) Authorizing the Debtors to (I) Obtain Postpetition Financing, (II) Use Cash Collateral of the Prepetition Lenders and (III) Provide Adequate Protection to the Prepetition Lenders; and (B) Scheduling a Final Hearing (Docket No. 36) (the "Motion").

2. On January 12, 2012, the Court entered the Interim Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364 and (B) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to Pre-Petition Secured Parties and (III) Scheduling Final Hearing Pursuant to Bankruptcy Rule 4001(b) and (c) (Docket No. 63) (the "Interim DIP Order").

3. On January 25, 2012, in accordance with Paragraph 5(c) of the Interim DIP Order, the Debtors provided notice of the first amendment to the DIP Credit Agreement.

4. On February 3, 2012, the Court entered the Final Order (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364 and (B) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, (II) Granting Adequate Protection to Pre-Petition Secured Parties (Docket No. 254) (the "Final DIP Order").<sup>2</sup>

5. In accordance with Paragraphs 8(c) and 29 of the Final DIP Order, the Debtors are hereby providing notice of a second amendment to the DIP Credit Agreement (the "Second Amendment"), a copy of which is attached hereto as Exhibit A, in connection with the extension of one of the Chapter 11 Milestones.

6. Pursuant to Paragraph 29 of the Final DIP Order, the Creditors' Committee, the Pre-Petition Agents and the U.S. Trustee have five (5) business days from the date of this notice to object in writing to the Second Amendment.

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<sup>2</sup>

Capitalized terms used but not defined herein have the meanings given to them in the Final DIP Order.

Dated: March 12, 2012  
New York, New York

Respectfully submitted,

/s/ Corinne Ball  
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Heather Lennox  
Lisa Laukitis  
Veerle Roovers  
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ATTORNEYS FOR DEBTORS AND  
DEBTORS IN POSSESSION

**EXHIBIT A**

**SECOND AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT, GUARANTY AND  
SECURITY AGREEMENT**

SECOND AMENDMENT (this "Amendment"), dated as of March 9, 2012, to the Debtor-in-Possession Credit, Guaranty and Security Agreement, dated as of January 12, 2012 (as heretofore amended and as further amended, supplemented or otherwise modified, the "DIP Credit Agreement"), among HOSTESS BRANDS, INC. (formerly known as Interstate Bakeries Corporation), a Delaware corporation ("HBI"), INTERSTATE BRANDS CORPORATION, a Delaware corporation ("Brands" and, together with HBI, the "Borrowers"), certain subsidiaries of HBI, as Guarantors, the lending and other financial institutions from time to time parties thereto (collectively, the "DIP Lenders"), and SILVER POINT FINANCE, LLC, as administrative agent and collateral agent (in such capacities, the "DIP Agent").

**W I T N E S S E T H :**

WHEREAS, the Borrowers, the DIP Lenders and the DIP Agent, among others, are parties to the DIP Credit Agreement; and

WHEREAS, the Borrowers have requested that the Requisite DIP Lenders and the DIP Agent agree to modify the sixth milestone on Annex A to the DIP Credit Agreement in certain respects, and the Requisite DIP Lenders and the DIP Agent are prepared to do so upon the terms and subject to the conditions set forth herein.

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

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein which are defined in the DIP Credit Agreement are used herein as therein defined.

2. Amendments to the DIP Credit Agreement. Annex A to the DIP Credit Agreement is hereby amended by deleting the reference to "75 days following the date the § 1113 Motion was filed" under the "Deadline" heading with respect to the sixth milestone and replacing it with "April 30, 2012."

3. Confirmation and Reaffirmation of Credit Documents. Each Credit Party does hereby, after giving effect to the amendments contemplated by this Amendment, (i) ratify and confirm each Credit Document to which it is a party and (ii) confirm and agree that each such Credit Document is, and shall continue to be, in full force and effect; provided that each reference to the DIP Credit Agreement therein and in each of the other Credit Documents shall be deemed to be a reference to the DIP Credit Agreement after giving effect to this Amendment.

4. Condition to Effectiveness. This Amendment shall become effective as of the date set forth above if the following conditions are satisfied: (a) the DIP Agent shall have received counterparts of this Amendment executed by the Credit Parties, the DIP Agent and the DIP Lenders constituting Requisite DIP Lenders; (b) the representations and warranties set forth herein and in Section 4 of the DIP Credit Agreement and in each other Credit Document are true

and correct in all material respects on and as of the date hereof with the same effect as though made on and as of the date hereof, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties were true and correct in all material respects as of such earlier date); and (c) Borrowers shall have paid all outstanding invoices submitted by the DIP Agent or the Prepetition Agent prior to the date hereof in accordance with the DIP Order.

5. Reference to and Effect on the Credit Documents; Limited Effect. On and after the date hereof and the satisfaction of the conditions contained in Section 4 of this Amendment, each reference in the DIP Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the DIP Credit Agreement, and each reference in the other Credit Documents to the “DIP Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the DIP Credit Agreement shall mean and be a reference to the DIP Credit Agreement as modified hereby. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any DIP Lender or the DIP Agent under any of the Credit Documents, nor constitute a waiver of any provisions of any of the Credit Documents. This Amendment is limited as specified and shall not constitute a modification, acceptance, consent to deviation from or waiver of any other provision of, or operate as a waiver of any other right, power or remedy of any DIP Agent or DIP Lender under, the DIP Credit Agreement or any other Credit Document. Except as expressly modified herein, all of the provisions and covenants of the DIP Credit Agreement and the other Credit Documents are and shall continue to remain in full force and effect in accordance with the terms thereof and are hereby in all respects ratified and confirmed. Each Credit Party acknowledges that this Amendment shall constitute a Credit Document.

6. Representations and Warranties. To induce the other parties hereto to enter into this Amendment, each Credit Party represents and warrants to the DIP Agent and each of the DIP Lenders that as of the date hereof, after giving effect to the provisions of this Amendment:

(a) The execution, delivery and performance by the Borrowers and the other Credit Parties of this Amendment: (i) are within their respective organizational powers; (ii) have been duly authorized by all necessary corporate or limited liability company action; (iii) are not in contravention of any provision of their respective certificates or articles of incorporation or by-laws or other equivalent organizational documents as applicable; (iv) do not violate any law or regulation, or any order or decree of any court or Governmental Authority; (v) do not conflict with or result in the breach or termination of, constitute a default under or accelerate or permit the acceleration of any performance required by, any indenture, mortgage, deed of trust, lease, agreement or other instrument to which any Borrower or any other Credit Party is a party or by which any Borrower or any other Credit Party or any of its property is bound; and (vi) do not require the consent or approval of any Governmental Authority or any other Person other than the Bankruptcy Court.

(b) This Amendment has been duly executed and delivered by or on behalf of the Borrowers and the other Credit Parties.

(c) This Amendment constitutes a legal, valid and binding obligation of each of the Borrowers and the other Credit Parties enforceable against each of them in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization,

moratorium, or other laws affecting creditors' rights generally or by general principles of equity regardless of whether considered in proceeding in equity or in law.

(d) No event shall have occurred and be continuing that would constitute an Event of Default or Default.

7. DIP Agent. Each of the DIP Lenders party hereto hereby authorizes and directs the DIP Agent to execute and deliver this Amendment.

8. Expenses. The Borrowers agree to pay all reasonable out-of-pocket expenses incurred by the DIP Agent in connection with this Amendment in accordance with the DIP Credit Agreement, including the reasonable fees, charges and disbursements of counsel for the DIP Agent.

9. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Any executed counterpart delivered by facsimile or electronic transmission shall be effective as an original for all purposes hereof. The execution and delivery of this Amendment by any DIP Lender shall be binding upon each of its successors and assigns and binding in respect of all of its Commitments and Loans, including any acquired subsequent to its execution and delivery hereof and prior to the effectiveness hereof.

10. GOVERNING LAW. EXCEPT AS GOVERNED BY THE BANKRUPTCY CODE, THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first written above.

HOSTESS BRANDS, INC. (formerly known as  
Interstate Bakeries Corporation)

By: \_\_\_\_\_  
Name:  
Title:

INTERSTATE BRANDS CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

IBC SALES CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

IBC SERVICES, LLC

By: \_\_\_\_\_  
Name:  
Title:

IBC TRUCKING, LLC

By: \_\_\_\_\_  
Name:  
Title:



SILVER POINT FINANCE, LLC,  
as DIP Agent under the Debtor-in-Possession  
Credit, Guaranty and Security Agreement

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_,  
as a DIP Lender

By: \_\_\_\_\_  
Name:  
Title: