IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	**Chapter 11**
OTC HOLDINGS CORPORATION, *et al.*,[1]	:	**Case No. 10-12636 (___)**
Debtors.	:	**Joint Administration Pending**

MOTION FOR INTERIM AND FINAL ORDERS UNDER 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) AND 507 AND BANKRUPTCY RULES 2002, 4001 AND 9014 (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS AND (IV) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND 4001(c)

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully represent:

Jurisdiction

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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[1] The Debtors in these Cases, along with the last four digits of each Debtor's federal tax identification number, are: OTC Holdings Corporation, a Delaware corporation (0174); Oriental Trading Company, Inc., a Delaware corporation (5603); OTC Investors Corporation, a Delaware corporation (0180); Fun Express, Inc., a Nebraska corporation (7942); and Oriental Trading Marketing, Inc., a Nebraska corporation (0923). The location of the Debtors' corporate headquarters and the service address for all the Debtors is 5455 South 90th Street, Omaha, Nebraska 68127.

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Relief Requested

2. By this motion (this "Motion"), pursuant to sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of the Bankruptcy Code, rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors seek:

(I) authorization for (a) Oriental Trading Company, Inc. (the "Borrower"), one of the Debtors, to obtain up to $40,000,000 of postpetition financing consisting of up to $33,500,000 of term loans (the "Term Loans") and up to $6,500,000 of revolving loans and letters of credit (such revolving extensions of credit, together with the Term Loans, the "DIP Loans") on the terms and conditions set forth in the Credit and Guarantee Agreement (substantially in the form annexed hereto as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Agreement"; together with all agreements, documents and instruments executed and delivered in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Documents"), among the Borrower, the other Debtors as guarantors (the "Guarantors"), JPMorgan Chase Bank, N.A. ("JPMorgan"), as Administrative Agent (in such capacity, the "DIP Agent") for itself and a syndicate of lenders (collectively, the "DIP Lenders") comprised of certain of the First Lien Lenders (as defined below) and (b) the Guarantors to guaranty on a secured basis the Borrower's obligations in respect of the DIP Loans;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform under the DIP Documents and such

other and further acts as may be necessary or appropriate in connection therewith;

(III) authorization to deem the approximately $1.9 million of outstanding letters of credit (the "Prepetition L/Cs") issued under the First Lien Credit Agreement (as defined below) to have been issued under the DIP Agreement;

(IV) authorization for the Debtors to use proceeds of the initial borrowing under the DIP Agreement to pay in full the LIFO Obligations (as defined below), including without limitation, $2.5 million aggregate principal amount of first priority term loans (the "LIFO Loans") made on August 23, 2010 by certain of the First Lien Lenders (including the Collateral Agent for such lenders, the "LIFO Lenders") pursuant to the First Lien Credit Agreement in order to address the Debtors' immediate liquidity needs pending obtaining the DIP Loans;

(V) authorization for the Debtors to (a) use the Cash Collateral (as defined below) pursuant to section 363 of the Bankruptcy Code and all other Prepetition Collateral (as defined below) and (b) provide adequate protection to (i) the lenders (including their affiliates which entered into secured hedge agreements with the Debtors, collectively, the "First Lien Lenders") under the First Lien Credit Agreement, dated as of July 31, 2006, among the Borrower, the First Lien Lenders and JPMorgan, as administrative agent and collateral agent (in such capacity, the "First Lien Agent") for the First Lien Lenders (as amended, supplemented or otherwise modified, the "First Lien Credit Agreement"; and together with all security, pledge and guaranty agreements and all other documentation executed in connection with any of the foregoing, including without limitation, the Intercreditor Agreement (as defined below), each as amended, supplemented or otherwise modified, the "First Lien

Documents") and (ii) the lenders (collectively, the "Second Lien Lenders") under the Second Lien Credit Agreement, dated as of July 31, 2006, among the Borrower, the Second Lien Lenders and Wilmington Trust, FSB, as successor to Wachovia Bank, National Association, as administrative agent and collateral agent (in such capacity, the "Second Lien Agent") for the Second Lien Lenders (as amended, supplemented or otherwise modified, the "Second Lien Credit Agreement"; and together with all security, pledge and guaranty agreements and all other documentation executed in connection with the foregoing, including without limitation, the Intercreditor Agreement, each as amended, supplemented or otherwise modified, the "Second Lien Documents");

(VI) authorization for the DIP Agent to exercise remedies under the DIP Documents upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Agreement);

(VII) subject to entry of the Final Order (as defined below), authorization to grant liens to the DIP Lenders on the proceeds of the Debtors' claims and causes of action (but not on the actual claims and causes of action) arising under sections 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (collectively, the "Avoidance Actions");

(VIII) subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge against the DIP Collateral (as defined below) or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code;

(IX) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "Interim Hearing") on this Motion to be held before this Court to consider entry of the

interim order (the "Interim Order"), substantially in the form annexed hereto as Exhibit B, (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Agreement up to $2,500,000 of letters of credit and $20,000,000 of the Term Loans to be used to repay in full the LIFO Obligations (as defined below) and for working capital and general corporate purposes of the Debtors (including costs related to these Cases (as defined below)), (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral and (c) granting adequate protection to the First Lien Lenders and the Second Lien Lenders; and

(X) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of a final order (the "Final Order"), authorizing and approving on a final basis the relief requested herein, including without limitation, for the Borrower to borrow the balance of the DIP Loans, for the Debtors to continue to use the Cash Collateral and the other Prepetition Collateral and for the Debtors to grant adequate protection to the First Lien Lenders and the Second Lien Lenders.

Background

3. On the date hereof (the "Petition Date"), each of the Debtors commenced with the Court a voluntary case (collectively, these "Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). Each Debtor is authorized to continue to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. As of the Petition Date, no trustee, examiner or statutory committee has been appointed in these Cases.

4. The events leading up to the Petition Date and the facts and circumstances supporting the relief requested herein are more fully set forth in the Declaration of Steven G. Mendlik in Support of Debtors' Chapter 11 Petitions and First Day Relief (the "First Day Declaration") filed contemporaneously herewith and incorporated herein by reference.

5. As more fully set forth in the First Day Declaration, the Debtors have commenced these Cases in the midst of a severe liquidity crisis to implement a restructuring negotiated with the First Lien Lenders prior to commencing these Cases, the material terms of which are reflected in a plan support agreement (as amended, supplemented or otherwise modified from time to time, the "Plan Support Agreement") between the Debtors and certain First Lien Lenders. Under the Plan Support Agreement, certain First Lien Lenders agreed to support the proposed restructuring of the Debtors set forth in the plan term sheet attached to the Plan Support Agreement (as amended, supplemented or otherwise modified from time to time, the "Plan Term Sheet").

6. The Plan Term Sheet provides that, except to the extent otherwise paid in full in cash, pursuant to a plan of reorganization, the First Lien Lenders will receive in satisfaction of approximately $404 million of their claims (i) new term loans in the aggregate principal amount of $200 million, (ii) 100% of the new common stock of the reorganized Debtors, subject to dilution from a management incentive plan and exercise of warrants described below and (iii) any unpaid adequate protection payments. The Plan Term Sheet also provides for payment in full or on other terms reasonably acceptable to the First Lien Lenders of prepetition claims of vendors that are critical to the Debtors' business. Pursuant to the Plan Term Sheet, each Second Lien Lender will receive its pro rata share of three-year warrants to acquire 2.5% of the new common stock of the reorganized Debtors at a specified enterprise

value strike price. Furthermore, the Plan Term Sheet provides that (i) claims arising under section 503(b)(9) of the Bankruptcy Code shall be paid in accordance with the Bankruptcy Code and (ii) any other unsecured claims, including potential administrative convenience or "ongoing" trade classes, shall be treated as agreed by the Debtors and the First Lien Lenders.

7. The Debtors determined, in the exercise of their fiduciary duties, that the restructuring contemplated by the Plan Support Agreement maximizes the value of the Debtors' estates for the benefit of stakeholders. Nevertheless, pursuant to the Plan Support Agreement, the Debtors maintain the right to implement an alternative restructuring if, in the exercise of their fiduciary duties, the Debtors determine that such alternative restructuring is more favorable to the Debtors' estates, creditors and other stakeholders than the restructuring contemplated by the Plan Support Agreement.

8. The Debtors determined that entry into the Plan Support Agreement and the commencement of these Cases were essential to maximizing the value of the estates. Without immediate access to postpetition financing, the Debtors cannot be assured of their ability to continue to fund their day-to-day operations. The Debtors require postpetition financing to preserve their going-concern value in order to maximize the value of their estates.

9. To that end, the Debtors are seeking authorization to obtain postpetition financing facilities (the "DIP Facilities") in an aggregate amount not to exceed $40 million consisting of a $33.5 million term loan facility and a $6.5 million revolving credit facility. The Debtors are seeking access to up to $22.5 million of the DIP Facilities on an interim basis. The Debtors require immediate access to the DIP Facilities because August through October is the Debtors' peak period for receiving shipments of goods that will be sold during the holiday shopping season and, absent the availability of the DIP Facilities during the next

six to eight weeks, the Debtors will not be able to meet inventory needs and will suffer sales losses during the peak holiday shopping season.

The Debtors' Prepetition Capital Structure

10. As set forth in the First Day Declaration, as of the Petition Date, the Debtors had substantial outstanding indebtedness under three loan agreements, as described below:

First Lien Credit Agreement

11. Pursuant to the First Lien Credit Agreement, the First Lien Lenders agreed to provide the Borrower with a seven-year term loan facility in the original aggregate principal amount of $410 million and a six-year revolving credit facility in the original aggregate amount of $50 million (including a $20 million letter of credit sub-facility), which revolving credit commitment was reduced to $15 million (including the letter of credit sub-facility) on March 25, 2010. The obligations of the Borrower under the First Lien Credit Agreement are guaranteed by OTC Investors Corporation ("Holdings"), Fun Express, Inc. ("Fun Express") and Oriental Trading Marketing, Inc. ("Marketing").

12. In the five (5) weeks leading up to the Petition Date, the revolving credit facility became fully drawn as the amount of loans borrowed thereunder increased from $0 to approximately $13 million. Moreover, on August 23, 2010, just two days before the Petition Date, the Debtors requested, and the LIFO Lenders made, the LIFO Loans in order to address the Debtors' immediate liquidity needs pending obtaining the DIP Loans. As of the Petition Date, the Debtors are liable to the LIFO Lenders in the aggregate principal amount of $2.5 million in respect of the LIFO Loans, plus accrued and unpaid interest thereon and fees and expenses (including fees and expenses of attorneys) as provided in the First Lien Documents (collectively, the "LIFO Obligations"). The LIFO Obligations are secured by the first priority

(subject to permitted exceptions under the First Lien Credit Agreement) liens on and security interests in the Prepetition Collateral (as defined below) to the extent set forth in the First Lien Documents in respect of the LIFO Obligations.

13. As of the Petition Date, the aggregate principal amount outstanding under the term loan facility of the First Lien Credit Agreement (other than the LIFO Loans) is $383.6 million. Additionally, as of the Petition Date, approximately $13 million of revolving loans and approximately $1.9 million of letters of credit are outstanding under the First Lien Credit Agreement. In addition, the Borrower is party to interest rate swap agreements entered into in connection with the First Lien Credit Agreement, under which the Borrower would be obligated for a termination amount of approximately $5.1 million if such agreements had been terminated as of the Petition Date. Accordingly, the aggregate principal amount outstanding under the First Lien Credit Agreement and related documents is approximately $403.6 million in respect of loans made (other than the LIFO Obligations), letters of credit issued and interest rate hedges provided, by the First Lien Lenders plus accrued and unpaid interest, consent and other fees, costs and expenses (including fees and expenses of attorneys and advisors) as set forth in the First Lien Documents (collectively, the "First Lien Obligations").

14. The First Lien Obligations are secured pursuant to the First Lien Documents by first priority (subject to permitted exceptions under the First Lien Credit Agreement) security interests and liens granted by the Debtors to the First Lien Agent (for the ratable benefit of the First Lien Lenders) in and upon the personal and real property of the Debtors constituting "Collateral" under, and as defined in, the First Lien Credit Agreement (together with the Cash Collateral, the "Prepetition Collateral").

Second Lien Credit Agreement

15. Pursuant to the Second Lien Credit Agreement, the Second Lien Lenders provided the Borrower with a seven-and-a-half-year term loan facility in the aggregate principal amount of $180 million. The obligations of the Borrower under the Second Lien Agreement are guaranteed by Holdings, Fun Express and Marketing.

16. As of the Petition Date, $180 million in principal amount and approximately $6 million in accrued and unpaid interest are outstanding under the Second Lien Credit Agreement (such amount, plus accrued and unpaid fees and expenses (including fees and expenses of attorneys and advisors) as provided in the Second Lien Documents are collectively referred to as, the "Second Lien Obligations").

17. The Second Lien Obligations are secured pursuant to the Second Lien Documents by second priority (subject to permitted exceptions under the Second Lien Credit Agreement) security interests in and liens on the Prepetition Collateral granted by the Debtors to the Second Lien Agent (for the ratable benefit of the Second Lien Lenders).

Intercreditor Agreement

18. The First Lien Agent and the Second Lien Agent entered into that certain Intercreditor Agreement, dated as of July 31, 2006, a copy of which is annexed hereto as Exhibit C (as amended, supplemented or otherwise modified, the "Intercreditor Agreement"), by and among JPMorgan, as collateral agent for the First Priority Secured Parties (as defined in the Intercreditor Agreement), Wilmington Trust, FSB, as successor collateral agent for the Second Priority Secured Parties (as defined in the Intercreditor Agreement), the Borrower and certain other Debtors, to set forth the relative lien priorities and other rights and remedies of the First Lien Lenders and the Second Lien Lenders with respect to, among other things, the

Prepetition Collateral. Pursuant and subject to Sections 5.2 and 5.4 of the Intercreditor Agreement, the Second Lien Agent and the Second Lien Lenders have agreed that, prior to the indefeasible payment in full in cash of all amounts owing to the First Lien Lenders, they (i) will be deemed to have consented to, will raise no objection to, nor support any other person objecting to the use of Cash Collateral or to the DIP Facilities; (ii) will not request or accept adequate protection or any other relief in connection with the use of the Cash Collateral or the DIP Facilities except for the adequate protection contemplated herein; (iii) will not object to, contest, or support any other person objecting to or contesting, any request by the First Lien Lenders for adequate protection or any adequate protection provided to the First Lien Lenders; and (iv) will subordinate (and will be deemed to have subordinated) their liens on the Prepetition Collateral to the DIP Liens (as defined below) and Adequate Protection Liens (as defined below) as contemplated herein.[2]

Mezzanine Loan Agreement

19. Pursuant to the Mezzanine Loan Agreement, dated as of July 31, 2006 (as amended, supplemented or otherwise modified, the "Mezzanine Loan Agreement"), by and among Holdings, Wilmington Trust, FSB (as successor agent to Wachovia Bank, National

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[2] Pursuant to Section 5.2 of the Intercreditor Agreement, the Second Lien Agent and the Second Lien Lenders retained a limited right to object to (x) any ancillary agreements or arrangements regarding the cash collateral use or debtor in possession financing that are materially and disproportionately prejudicial to their interests as compared to the First Lien Lenders, (y) any debtor in possession financing **to the extent that** (i) it compels the Debtors to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the debtor in possession financing documentation or a related document or (ii) the aggregate principal amount of loan and letter of credit accommodations outstanding or available under such debtor in possession financing exceeds an amount equal to $50,000,000 and (z) the debtor in possession financing documentation or cash collateral order to the extent that it expressly requires the liquidation of the Common Collateral (as defined in the Intercreditor Agreement) prior to a default under such debtor in possession financing documentation or cash collateral order.

Association), as administrative agent, and the lenders from time to time party thereto (the "Mezzanine Lenders"), the Mezzanine Lenders provided the Debtors with an eight-and-a-half-year term loan facility in the original aggregate principal amount of $70 million. Holdings is a holding company whose only asset is the stock of the Borrower and the obligations of Holdings under the Mezzanine Loan Agreement are not secured or guaranteed by any other Debtor.

20. As of the Petition Date, the aggregate principal amount outstanding under the Mezzanine Loan Agreement is approximately $120 million.

The Debtors' Efforts to Obtain Postpetition Financing

21. Prior to the commencement of these Cases, the Debtors' financial advisors approached the First Lien Lenders to obtain debtor in possession financing. In connection with the negotiations regarding such financing, the First Lien Lenders indicated that they would not consent to having their liens primed by a third party lender. The Debtors determined that the DIP Facilities proposed by certain First Lien Lenders were the best available to the Debtors under the circumstances since any alternative facility would require the priming of the liens granted for the benefit of the First Lien Lenders, which would be contested and, as a result, uncertain, time consuming and costly. Moreover, as more fully set forth in the First Day Declaration, the bids the Debtors received for substantially all of their assets in connection with the marketing process that was conducted prepetition were not sufficient to satisfy the First Lien Obligations in full. Therefore, the Debtors determined that it would be difficult to provide adequate protection to the First Lien Lenders if their liens are primed without their consent. Further, given the size of the claims of the First Lien Lenders and the Second Lien Lenders in relation to the range of value for the Debtors' assets as

demonstrated by the Debtors' sale process, the Debtors determined that soliciting proposals from third party lenders on a junior lien basis would be futile.

22. The terms of the DIP Facilities are the product of good-faith, extensive, arms-length negotiations, which culminated in the DIP Agreement. During the negotiation process, the proposed DIP Lenders made several key concessions. For example, the DIP Lenders reduced the DIP Facilities' proposed pricing 100 basis points from LIBOR plus 675 basis points to LIBOR plus 575 basis points, lowered the LIBOR floor from 3% to 2% and modified certain affirmative and negative covenants. The pricing that the Debtors would have obtained on a junior lien basis from other third party lenders, even if available, would have been much higher than the pricing of the DIP Facilities.

23. Given the immediacy of the Debtors' financing needs, the liens on the Debtors' prepetition assets and the resulting inability to prime the First Lien Lenders' liens and the absence of any proposals to provide post-petition financing on a junior basis, the Debtors have determined that the DIP Facilities provide the most advantageous, if not the only available, financing for the Debtors. Moreover, JPMorgan, the proposed DIP Agent under the DIP Facilities, as the administrative agent and one of the lenders under the Debtors' First Lien Credit Agreement, has a substantial base of knowledge with respect to the Debtors' business, their capital structure and the prepetition collateral, all of which would enable JPMorgan, as the DIP Agent, to act with the speed necessitated by the Debtors' liquidity requirements.

24. Finally, the terms of the Intercreditor Agreement facilitate the approval of the DIP Facilities and the other relief sought herein under sections 363 and 364 of the Bankruptcy Code. The DIP Facilities and the use of the Cash Collateral have been structured to be consistent with the Intercreditor Agreement. Accordingly, pursuant and subject to the

Intercreditor Agreement, upon the First Lien Lenders' consent to the DIP Facilities and the use of the Cash Collateral, the Second Lien Lenders are deemed to have consented to the DIP Facilities and the use of the Cash Collateral.

Need for Debtor in Possession Financing and Use of Prepetition Collateral

25. If this Motion is not approved and the Debtors do not obtain authorization to borrow under the DIP Facilities and to use the Prepetition Collateral, including the Cash Collateral, the Debtors will suffer immediate and irreparable harm. Without the funds available under the DIP Facilities and the use of the Cash Collateral, the Debtors will not have the liquidity to conduct their business as a going concern. The Debtors do not have and have not had, access to their prepetition credit facilities since the commencement of these Cases. The Debtors have no unencumbered cash. The Debtors urgently need funds to make payroll, vendor payments and other expenditures that are critical to their continued viability and ability to reorganize their capital structure.

26. Moreover, although the use of the Cash Collateral is necessary to the operation of the Debtors' businesses, the use of the Cash Collateral alone is insufficient to relieve the Debtors' liquidity constraints. Therefore, the Debtors have an immediate need for additional liquidity, which could only be obtained through the DIP Facilities. Other than through the DIP Facilities, the Debtors cannot obtain financing (secured or otherwise) to continue their day-to-day operations.

Summary of the Terms of the DIP Facilities[3]

Borrower:	Oriental Trading Company, Inc. *(Interim Order: Introductory paragraph; DIP Agreement: Introductory paragraph)*
Guarantors:	OTC Holdings Corporation, a Delaware corporation and holding company parent of Holdings ("Parent"), Holdings and each of the Borrower's direct and indirect, existing and future subsidiaries (collectively, the "Guarantors"). *(Interim Order: (I); DIP Agreement: Introductory paragraph)*
Sole Lead Arranger and Sole Bookrunner:	J.P. Morgan Securities Inc. (the "Arranger"). *(DIP Agreement:§ 1.1, "Lead Arranger")*
Administrative Agent:	JPMorgan Chase Bank, N.A. ("JPMorgan Chase Bank" and, in such capacity, the "DIP Agent"). *(Interim Order: (I); DIP Agreement: Introductory paragraph)*
DIP Lenders:	Certain of the lenders under the First Lien Credit Agreement. *(Interim Order: (I); DIP Agreement: Introductory paragraph)*
Term Facility	
Type and Amount:	A six-month term loan facility (the "Term Facility"; the commitments thereunder the "Term Commitments") in the amount of $33,500,000 (the loans thereunder, the "Term Loans"). The Term Loans shall be repaid on the date (such date, the "Termination Date") of the earliest to occur of: (x) 40 days after entry of the Interim Order (as defined below) if the Final Order (as defined below) has not been entered prior to such date, (y) the consummation of a Plan of Reorganization and (z) the six-month anniversary of the Closing Date referred to below (the "Maturity Date"). *(Interim Order: (I); DIP Agreement:§§ 2.1, 2.3)*
Availability:	The Term Loans shall be made in up to two drawings, during the period commencing on the Closing Date and ending on the fifth Business Day after entry of the Final Order (as defined below). The proceeds of the Term Loans in excess of the amounts satisfying clause (d) of "On-Going Conditions" shall be deposited into an account in the sole dominion and control of the Administrative Agent (the "Term Loan Account") and shall be released to the Borrower upon satisfaction of the applicable "On-Going Conditions" below. Amounts on deposit in the Term Loan Account on the Maturity Date shall be applied on such

[3] The terms and conditions of the DIP Agreement set forth in this Motion are intended solely for informational purposes to provide the Court and interested parties with a brief overview of the significant terms thereof and should only be relied upon as such. For a complete description of the terms and conditions in the DIP Agreement, reference should be made to the DIP Agreement and the Interim Order. The summary herein is qualified in its entirety by reference to such documents. In the event that there is a conflict or inconsistency between this Motion and the DIP Documents, the DIP Documents shall control in all respects. Unless otherwise defined herein, capitalized terms used in this summary shall have the meanings ascribed to them in the Interim Order or the DIP Agreement, as applicable.

	date to reduce the outstanding amount of the Term Loans. *(DIP Agreement:§ 2.1)*
Purpose:	The proceeds of the Term Loans shall be used (i) to repay in full the LIFO Obligations and (ii) to finance the working capital needs and general corporate purposes of the Debtors (including costs related to these Cases) in accordance with the Budget (as defined in, and including any permitted variance and amendment thereof pursuant to, the DIP Agreement). *(Interim Order: ¶¶ 6, 22; DIP Agreement:§ 6.8)*
Revolving Facility	
Type and Amount:	A six-month revolving facility (the "Revolving Facility"; the commitments thereunder, the "Revolving Commitments") in the amount of $6,500,000 (the loans thereunder, the "Revolving Loans"). *(Interim Order: (I); DIP Agreement: § 2.4)*
Availability:	The Revolving Facility shall be available on a revolving basis during the period commencing on the Closing Date and ending on the Termination Date. The Revolving Loans shall be repaid on the Termination Date. *(DIP Agreement: § 2.4)*
Letters of Credit:	A portion of the Revolving Facility not in excess of $5,000,000 shall be available for the issuance of letters of credit (the "Letters of Credit") by JPMorgan Chase Bank (in such capacity, the "Issuing Lender"). No Letter of Credit issued after the Closing Date shall have an expiration date after the earlier of (a) one year after the date of issuance and (b) five business days prior to the Maturity Date, unless the Issuing Lender shall have agreed otherwise in its sole discretion and upon such terms and conditions satisfactory to the Issuing Lender. All issued and outstanding letters of credit under the First Lien Credit Agreement on the Closing Date (the "Prepetition Letters of Credit") shall be deemed to be Letters of Credit issued under the Revolving Facility. *(Interim Order: ¶ 5; DIP Agreement: § 3.1)* Drawings under any Letter of Credit shall be reimbursed by the Borrower (whether with its own funds or with the proceeds of Revolving Loans) on the same business day (or on the next business day if notice of such drawing is received after 10:00 a.m.). To the extent that the Borrower does not so reimburse the Issuing Lender, (i) first, the Administrative Agent shall apply any funds in the Term Loan Account to reimburse the Issuing Lender and (ii) second, the DIP Lenders under the Revolving Facility shall be irrevocably and unconditionally obligated to fund participations in any such reimbursement obligation on a pro rata basis. *(DIP Agreement: §§ 3.4, 3.5)*
Purpose:	The proceeds of the Revolving Loans shall be used to finance the working capital needs and general corporate purposes of the Debtors (including costs related to these Cases) in accordance with the Budget. *(Interim Order: ¶¶ 6, 22; DIP Agreement: § 6.8)*
Interest Rate Options:	The Borrower may elect that the DIP Loans comprising each borrowing bear interest at a rate per annum equal to (a) the ABR plus the

	Applicable Margin or (b) the Eurodollar Rate plus the Applicable Margin. *(DIP Agreement: § 2.15)* As used herein: "ABR" means the highest of (i) the rate of interest publicly announced by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City (the "Prime Rate"), (ii) the federal funds effective rate from time to time plus 0.5%, (iii) the Eurodollar Rate (as defined below) for a one-month interest period, plus 1% and (iv) 3.0%. "Applicable Margin" means (i) 4.75% in the case of ABR Loans and (ii) 5.75% in the case of Eurodollar Loans. "Eurodollar Rate" means the greater of (i) rate (adjusted for statutory reserve requirements for eurocurrency liabilities) for eurodollar deposits for a period equal to one, two or three months (as selected by the Borrower) appearing on Reuters Screen LIBOR01 Page and (ii) 2.0%.
Interest Payment Dates:	In the case of DIP Loans bearing interest based upon the ABR ("ABR Loans"), monthly in arrears. In the case of DIP Loans bearing interest based upon the Eurodollar Rate ("Eurodollar Loans"), on the last day of each relevant interest period and, in the case of any interest period longer than one month, on each successive date one month after the first day of such interest period. *(DIP Agreement: § 2.15)*
DIP Facilities Fees:	The Debtors agreed to pay various commitment, underwriting, arranger and administrative agency fees to the DIP Agent, the Arranger and the DIP Lenders, in the aggregate amount of approximately 4% of the aggregate amount of the commitments available under the DIP Facilities. *(DIP Agreement: § 2.9)*
Unused Availability Fees:	The Borrower shall pay a fee calculated at a rate per annum equal to 0.75% on the average daily unused portion of the DIP Facilities, payable monthly in arrears. *(DIP Agreement: § 2.9)*
Letter of Credit Fees:	The Borrower shall pay a fee on all outstanding Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Eurodollar Loans on the face amount of each such Letter of Credit. Such fee shall be shared ratably among the DIP Lenders participating in the Revolving Facility and shall be payable monthly in arrears. A fronting fee equal to 0.125% per annum on the face amount of each Letter of Credit shall be payable monthly in arrears to the Issuing Lender for its own account. In addition, customary administrative, issuance, amendment, payment and negotiation charges shall be payable to the Issuing Lender for its own account. *(DIP Agreement: § 3.3)*
Default Rate:	At any time after the occurrence and during the continuance of an Event of Default, all outstanding DIP Loans shall bear interest at 2% above

	the rate otherwise applicable thereto and all other obligations shall bear interest at 2% above the rate applicable to the relevant ABR Loans. *(DIP Agreement: § 2.15)*
Optional Prepayments and Commitment Reductions:	DIP Loans may be prepaid and commitments may be reduced at any time without premium or penalty by the Borrower, provided that, at any time while Term Commitments are in effect, all such reductions shall be made ratably between the Revolving Commitments and the Term Commitments. Optional prepayments of the Term Loans may not be reborrowed. *(DIP Agreement: §§ 2.11, 2.18)*
Mandatory Prepayments and Reduction of Commitments:	100% of the net proceeds of any sale or other disposition (including as a result of casualty or condemnation) by any of the Loan Parties of any assets, except for the sale of inventory or obsolete or worn-out property in the ordinary course of business and subject to certain other customary exceptions (including capacity for reinvestment) shall be applied ratably to reduce permanently the Term Commitments (or if no Term Commitments are in effect, to prepay the Term Loans) and to reduce permanently the Revolving Commitments and/or cash collateralize outstanding Letters of Credit, provided that the Revolving Commitments shall not be reduced with such net proceeds to an amount below $5,000,000. Mandatory prepayments of the Term Loans may not be reborrowed. The Revolving Loans shall be prepaid and the Letters of Credit shall be cash collateralized or replaced to the extent such extensions of credit exceed the amount of the Revolving Commitments. On a weekly basis, unrestricted cash and cash equivalents in excess of the sum of $2,500,000 plus the aggregate amount of checks which have been written but not yet cleared as of such date shall be applied, first, to prepay outstanding Revolving Loans and, second, as a deposit to the Term Loan Account, provided that amounts on deposit in the Term Loan Account shall not exceed the outstanding principal amount of the Term Loans. *(DIP Agreement: § 2.12)*
Priority and Liens:	Except to the extent expressly set forth in the Interim Order in respect of the Carve-Out, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations (as defined below) shall constitute allowed senior administrative expense claims against the Debtors with priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment. As security for all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Documents, the Interim Order and the DIP Loans (collectively, the "DIP Obligations"), effective and perfected upon the date of the Interim Order and without the necessity

of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens shall be granted by the Debtors to the DIP Agent, for itself and the benefit of the DIP Lenders (all property of the Debtors identified in clauses (a), (b) and (c) below being collectively referred to as the "DIP Collateral"), subject and subordinate only to the Carve-Out (all such liens and security interests granted to the DIP Agent pursuant to the Interim Order, the "DIP Liens"):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to either (i) valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date, or (ii) a valid lien perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered Property"); provided, that the Unencumbered Property shall not include the Avoidance Actions, but subject to entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions;

(b) Liens Junior to Certain Existing Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in paragraph (c) below, as to which the DIP Liens will have the priority as described in such clause), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Non-Primed Liens"), which security interests and liens in favor of the DIP Agent and the DIP Lenders shall be junior to the Non-Primed Liens;

(c) Liens Priming First Lien Lenders' and Second Lien Lenders' Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority, senior priming lien on, and security interest in, all Prepetition Collateral (whether now existing or hereafter acquired). The DIP Liens on the Prepetition Collateral shall be senior in all respects to the security interests in, and liens on, the Prepetition Collateral of (i) the First Lien Agent and the First Lien Lenders (including, without limitation, the First Lien Adequate Protection Liens) and (ii) the Second Lien Agent and the Second Lien Lenders (including, without limitation, the Second Lien Adequate Protection Liens (as defined below), but shall be junior to any Non-Primed Liens on the Prepetition Collateral; and

	subject in each case to, in the event of the occurrence and during the continuance of a Carve-Out Event (as defined below), a carve-out for (a) any fees payable to the Clerk of the Bankruptcy Court and to the Office of the United States trustee pursuant to 28 U.S.C. § 1930(a) and (b) up to $1,000,000 of allowed fees, expenses and disbursements (regardless of when such fees, expenses and disbursements become allowed by order of the Court) of professionals retained by order of the Court, incurred after the occurrence of a Carve-Out Event plus all unpaid professional fees, expenses and disbursements allowed by the Court that were incurred in compliance with the Budget prior to the occurrence of a Carve-Out Event (regardless of when such fees, expenses and disbursements become allowed by order of the Court). For the purposes hereof, a "Carve-Out Event" shall occur upon the occurrence and during the continuance of an Event of Default under the DIP Agreement or a material breach by the Debtors of the Interim Order and, in each case, upon delivery of a written notice thereof by the DIP Agent or the Required Lenders (as defined in the DIP Agreement) to the Debtors (a "Carve-Out Notice"). So long as no Carve-Out Event shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees, expenses and disbursements of professionals retained by order of the Court allowed by the Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code, which allowed fees, expenses and disbursements shall be paid in accordance with the Budget, and the Carve-Out shall not be reduced by the application of any pre-petition retainers by any such professionals. Upon the delivery of a Carve-Out Notice, the right of the Debtors to pay professional fees incurred under clause (b) above without reduction of the Carve-Out in clause (b) above shall terminate and upon receipt of such notice, the Debtors shall provide immediate notice by facsimile and email to all retained professionals informing them that a Carve-Out Event has occurred and that the Debtors' ability to pay professionals is subject to the Carve-Out; provided that the Carve-Out shall not be available to pay any professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, the LIFO Lenders, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders or the Second Lien Agent. *(Interim Order: ¶¶ 7, 8; DIP Agreement: § 2.24)*
Use of Cash Collateral	The First Lien Lenders have consented to the Debtors' use of the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date for working capital and general corporate purposes (including costs related to these Cases) in accordance with the Budget, provided that the First Lien Lenders and the Second Lien Lenders are granted adequate protection as set forth below. By virtue of the First Lien Lenders' consent to the Debtors' use of Cash Collateral as set forth herein and in the Interim Order, pursuant and subject to the Intercreditor Agreement, the Second Lien Lenders will be deemed to have consented to such use of the Cash Collateral. *(Interim Order: ¶¶ 4, 15)*
Adequate Protection:	The First Lien Agent and the First Lien Lenders shall be entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral (including substantially all of the Debtors' cash,

including without limitation, all cash and other amounts on deposit or maintained by the Debtors in any account or accounts with any First Lien Lender and any cash proceeds of the disposition of any Prepetition Collateral (the "Cash Collateral")), in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the First Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "First Lien Adequate Protection Obligations"). As adequate protection, the First Lien Agent and the First Lien Lenders shall be granted the following:

(a) First Lien Adequate Protection Liens. As security for the payment of the First Lien Adequate Protection Obligations, the First Lien Agent (for itself and for the benefit of the First Lien Lenders) shall be granted a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "First Lien Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out and (iii) the Non-Primed Liens.

(b) First Lien Section 507(b) Claims. The First Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "First Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in the Interim Order, the First Lien Agent and the First Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the First Lien 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash. Notwithstanding their status as First Lien 507(b) Claims, the First Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in these Cases in the manner set forth in such plan if holders of more than 66% (by amount) of the First Lien Adequate Protection Obligations consent to such treatment.

(c) Interest, Fees and Expenses. The Debtors shall be authorized and directed to (a) immediately pay as adequate protection to the First Lien Agent an amount equal to all accrued and unpaid interest on the loans constituting the First Lien Obligations at the non-default LIBOR rate under the First Lien Credit Agreement, all regularly scheduled payments under any hedge agreements, all accrued and unpaid letter of credit fees and all other accrued and unpaid fees and disbursements owing to the First Lien Agent under the First Lien Documents and accrued prior to the Petition Date and (b) on the last business day of each calendar month after the entry of this Order, pay as adequate protection an amount equal to all accrued and unpaid interest on the loans constituting the First Lien Obligations at the applicable non-default LIBOR rate set forth in the First Lien Documents (which

payments and pricing shall be without prejudice to the rights of the First Lien Agent and any First Lien Lenders to assert a claim for the payment of additional interest calculated at any other rates applicable pursuant to the First Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims), all regularly scheduled payments under any hedge agreements , in each case subject to Section 506(b) of the Bankruptcy Code. As additional adequate protection, the Debtors shall also pay to the First Lien Agent all reasonable fees and expenses payable to the First Lien Agent under the First Lien Documents, including without limitation, the reasonable fees and disbursements of counsel and financial advisors to the First Lien Agent and the reasonable expense of members of the steering committee of the First Lien Lenders (including, without limitation, the reasonable fees and expenses of counsel). The Debtors shall pay these fees and expenses promptly after receipt of invoices therefor, and the Debtors shall promptly provide copies of such invoices to the counsel to the Committee and to the U.S. Trustee.

(d) Credit Bidding. As additional adequate protection, the First Lien Agent (on behalf of the First Lien Lenders) shall, acting at the direction of the Required Lenders (as defined in the First Lien Credit Agreement, the "Required First Lien Lenders") have the right to "credit bid" the amount of the First Lien Obligations in connection with any sale of the Prepetition Collateral, including without limitation, any sale pursuant to section 363 of the Bankruptcy Code or included as part of any plan of reorganization subject to confirmation under section 1129(b) of the Bankruptcy Code. *(Interim Order: ¶ 16; DIP Agreement: § 2.24)*

The Second Lien Agent and the Second Lien Lenders shall be afforded, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Second Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "Second Lien Adequate Protection Obligations", together with the First Lien Adequate Protection Obligations, the "Adequate Protection Obligations"). As adequate protection, the Second Lien Agent and the Second Lien Lenders shall be granted the following:

(a) Second Lien Adequate Protection Liens. As security for the payment of the Second Lien Adequate Protection Obligations, the Second Lien Agent (for itself and for the benefit of the Second Lien Lenders) shall be granted a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "Second Lien Adequate Protection Liens", together with the First Lien Adequate Protection Liens, the "Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out, (iii) the First Lien Adequate Protection Liens, (iv) the liens securing the First Lien

Obligations and (v) the Non-Primed Liens.

(b) Second Lien 507(b) Claims. The Second Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "Second Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out, (ii) the Superpriority Claims granted in respect of the DIP Obligations and (iii) the First Lien 507(b) Claims. The Second Lien Agent and the Second Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the Second Lien 507(b) Claims unless and until all DIP Obligations, the First Lien Adequate Protection Obligations and the First Lien Obligations shall have indefeasibly been paid in full in cash. In addition to, and notwithstanding anything to the contrary contained in the Interim Order, any Second Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in these Cases in the manner set forth in the Intercreditor Agreement. *(Interim Order: ¶ 18)*

Initial Conditions:

The availability of the DIP Facilities are conditioned upon the satisfaction of conditions precedent usual for facilities and transactions of this type, including, without limitation, the following conditions (the date upon which all such conditions precedent shall be satisfied, the "Closing Date"):

(a) Each Loan Party shall have executed and delivered satisfactory definitive financing documentation with respect to the DIP Facilities (the "DIP Documentation").

(b) The interim order approving the DIP Facilities and providing for the use of the prepetition lenders' cash collateral shall provide that until entry of the Final Order (i) extensions of credit under the Revolving Facility shall not exceed $2,500,000, consisting solely of letters of credit (inclusive of the Prepetition Letters of Credit) and (ii) loans under the Term Facility shall not exceed $20,000,000 and shall otherwise be in form and substance satisfactory to the Required Lenders (the "Interim Order"), shall have been entered by the Court, shall be in full force and effect and shall not be subject to any stay.

(c) The DIP Agent shall have received (i) a monthly budget for the six months following the Petition Date and (ii) an initial thirteen-week cash flow forecast for the period beginning with the week which includes the Petition Date through the thirteenth week thereafter (the "Budget"), in each case in form and substance satisfactory to the Required Lenders.

(d) The DIP Lenders, the DIP Agent and the Arranger shall have received all fees required to be paid, and all expenses required to be paid for which invoices have been presented, on or before the Closing Date.

(e) All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations

of the Borrower and its subsidiaries (including shareholder approvals, if any) shall have been obtained on satisfactory terms and shall be in full force and effect, and all applicable waiting periods shall have expired without any action being taken or threatened by any competent authority that would restrain, prevent or otherwise impose adverse conditions on the DIP Facilities or, any of the transactions contemplated by the Restructuring.

(f) The DIP Agent shall have received the results of a recent lien search in each relevant jurisdiction with respect to the Debtors, and such search shall reveal no liens on any of the assets of the Debtors except for liens permitted by the DIP Documentation.

(g) All documents and instruments required to perfect the DIP Agent's first priority security interest in the collateral under the DIP Facilities (including delivery of stock certificates and undated stock powers executed in blank) shall have been executed and be in proper form for filing.

(h) All motions and orders submitted to the Court on or about the Petition Date shall be in form and substance reasonably satisfactory to the Required Lenders.

(i) The Required Lenders shall be reasonably satisfied with the cash management arrangements of Holdings and its subsidiaries.

(j) The DIP Agent shall have received such legal opinions (including opinion from counsel to the Debtors), documents and other instruments as are customary for transactions of this type or as they may reasonably request.

(k) The Administrative Agent shall have received satisfactory evidence that the LIFO Loans under the First Lien Credit Agreement shall have been paid in full and that the liens in respect thereof have been released. *(DIP Agreement: § 5.1)*

On-Going Conditions:

The making of each extension of credit and each release of proceeds of the Term Loans from the Term Loan Account shall be conditioned upon (a) except with respect to the initial extension of credit and a release of proceeds thereof from the Term Loan Account, the final order approving the DIP Facilities, substantially in the form of the Interim Order and otherwise in form and substance satisfactory to the Required Lenders (the "Final Order"), having been entered by the Court, being in full force and effect and not being subject to any stay, (b) the accuracy in all material respects of all representations and warranties in the DIP Documentation, (c) there being no default or event of default in existence at the time of, or after giving effect to the making of, such extension of credit, (d) the proceeds of such extension of credit or released from the Term Loan Account, when added to the aggregate amount of unrestricted cash on hand of the Loan Parties in excess of $2,500,000, is required to make expenditures in accordance with the Budget within seven days after the making of such extension of credit or release of proceeds, as applicable and (e) in the case of a borrowing of Revolving Loans, there shall be no amounts in the Term Loan

	Account other than such amounts which are being requested to be released concurrently with such borrowing. *(DIP Agreement: § 5.2)*
Financial Covenants:	To include (i) a cumulative variance test for each of operating receipts and disbursements against the Budget, to be tested weekly, and (ii) a minimum EBITDA covenant to be tested monthly. *(DIP Agreement: § 7.1)*
Events of Default:	Among other things, nonpayment of principal when due; nonpayment of interest, fees or other amounts after a one business day grace period; material inaccuracy of a representation or warranty when made; violation of a covenant (subject, in the case of certain affirmative covenants, to a five day grace period); cross-default to material postpetition indebtedness; certain ERISA events; material judgments; actual or asserted invalidity of any liens or superpriority claims granted to secured obligations under the DIP guarantee or security document; milestones relating to these Cases, or failure (i) to file with the Court the Plan of Reorganization and related Disclosure Statement within 30 days after the Petition Date, (ii) to obtain an order approving such Disclosure Statement within 75 days after the Petition Date, (iii) to obtain an order of the Court confirming the Plan of Reorganization within 125 days after the Petition Date and (iv) to consummate the Plan of Reorganization within 135 days after the Petition Date; Debtors' request for or entry of (x) any modification of the Interim Order without the prior written consent of the DIP Agent (acting with the consent of the Required Lenders) and the First Lien Agent (acting with the consent of the Required First Lien Lenders), as applicable (no such consent to be implied by any other action, inaction or acquiescence by the DIP Agent or the First Lien Agent) or (y) an order converting or dismissing any of the Cases; and customary bankruptcy-related defaults. *(Interim Order: ¶ 20; DIP Agreement: § 8)*
Remedies After Event of Default:	The automatic stay under section 362 of the Bankruptcy Code shall be vacated and modified to the extent necessary to permit the DIP Agent and the Required Lenders to exercise, (a) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (b) below, and (b) upon the occurrence and during the continuance of an Event of Default, and the giving of five (5) business days' prior written notice to the Debtors (with a copy to counsel to the Debtors, counsel to the Committee and the U.S. Trustee), all rights and remedies against the DIP Collateral provided for in the DIP Documents and the Interim Order (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the DIP Agent or any DIP Lender). In any hearing regarding any such exercise of rights or remedies, the only issue to be determined shall be whether, in fact, an Event of Default has occurred and is continuing. *(Interim Order ¶ 9; DIP Agreement: § 8)*
Expenses and Indemnification:	The Borrower shall pay (a) all reasonable out-of-pocket expenses of the (i) the DIP Agent and the Arranger associated with the syndication of the DIP Facilities (including the reasonable fees, disbursements and other charges of counsel) and (ii) the DIP Agent, the Arranger and the

	DIP Lenders parties to the DIP Documentation on the Closing Date associated with the preparation, execution, delivery and administration of the DIP Documentation and any amendment or waiver with respect thereto (including the reasonable fees, disbursements and other charges of counsel), and (b) all out-of-pocket expenses of the DIP Agent and the DIP Lenders (including the fees, disbursements and other charges of counsel) in connection with the enforcement of the DIP Documentation. The DIP Agent, the Arranger and the DIP Lenders (and their affiliates and their respective officers, directors, employees, advisors and agents) will have no liability for, and will be indemnified and held harmless against, any losses, claims, damages, liabilities or expenses incurred in respect of the financing contemplated hereby or the use or the proposed use of proceeds thereof, except to the extent they are found by a final, non-appealable judgment of a court to arise from the gross negligence or willful misconduct of the relevant indemnified person. *(DIP Agreement: § 12.5)*
506(c) Waiver	Subject to and effective upon entry of the Final Order, except to the extent of the Carve-Out, no expenses of administration of these Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent (acting with the consent of the Required Lenders), the First Lien Agent (acting with the consent of the Required First Lien Lenders and the Second Lien Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, or the Second Lien Lenders. *(Interim Order: ¶ 10)*
Stipulations by the Debtors in respect of claims or other causes of action belonging to the estate or the trustee	The Interim Order contains certain stipulations of the Debtors (the "Debtors' Stipulations") that: (a) the liens and security interests granted to secure the LIFO Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the First Lien Credit Agreement) liens on and security interests in the Prepetition Collateral to the extent set forth in the First Lien Documents in respect of the LIFO Obligations, (ii) not subject to avoidance recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the First Lien Documents to the extent such permitted liens are senior to the liens securing the LIFO Obligations; (b) the liens and security interests granted by the Debtors to the First Lien Agent (for the ratable benefit of the First Lien Lenders) to secure the First Lien Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the First Lien Credit

	Agreement) liens on and security interests in the Prepetition Collateral, (ii) not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to (A) after giving effect to the Interim Order, the Carve-Out and the liens and security interests granted to secure the DIP Loans and the First Lien Adequate Protection Obligations, (B) prior to repayment in full of the LIFO Obligations, the liens securing the LIFO Obligations and (C) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the First Lien Documents to the extent such permitted liens are senior to the liens securing the First Lien Obligations; (c) the liens and security interests granted by the Debtors to the Second Lien Agent (for the ratable benefit of the Second Lien Lenders) to secure the Second Lien Obligations are (i) valid, binding, perfected, enforceable, second priority (subject to permitted exceptions under the Second Lien Credit Agreement) liens on and security interests in Prepetition Collateral, (ii) not subject to avoidance, recharacterization or subordination (except as set forth in the Intercreditor Agreement) pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) subject and subordinate only to (A) after giving effect to the Interim Order, the Carve-Out and the liens and security interests granted to secure the DIP Loans and the Adequate Protection Obligations, (B) prior to repayment in full of the LIFO Obligations, liens securing the LIFO Obligations, (C) liens securing the First Lien Obligations and (D) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the Second Lien Documents to the extent such permitted liens are senior to the liens securing the Second Lien Obligations; and (d) no portion of the LIFO Obligations, the First Lien Obligations and the Second Lien Obligations shall be subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law. *(Interim Order: ¶ 4)*
Release, waiver or limitation on claims or other causes of action belonging to the estate or the trustee	Subject to the rights of other parties in interest set forth below, the Debtors release any claims, counterclaims, causes of action, defenses or setoff rights (other than any setoff rights under any hedge agreements in accordance with their terms), whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the LIFO Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, and as to each of the foregoing, their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case in connection with any matter related to the LIFO Obligations, the First Lien Obligations, the First Lien Credit Agreement, the First Lien Documents or the financing and transactions contemplated thereby, the Second Lien Obligations, the Second Lien Credit Agreement, the Second Lien Documents or the financing and transactions contemplated thereby, or the Prepetition Collateral.

(Interim Order: ¶ 4(g), 21)

Any party in interest (other than the Debtors) must commence a contested matter or adversary proceeding objecting to or challenging the Debtors' Stipulations and the Court's findings set forth in the Interim and Final Order by no later than the earlier of (x) the date that is 75 days after the Petition Date and (y) the date that is 60 days following the formation of the Committee; provided that any such deadline is subject to extension as may be specified by the Court for cause shown, or such party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). *(Interim Order: ¶ 21)*

Highlighted Provisions Under Local Rule 4001-2

27. Rule 4001-2 of the Local Rules requires the disclosure of certain provisions of the DIP Documents and the Interim Order. The following disclosures are intended to comply with the requirements of the Local Rules. The Debtors believe that the following provisions are justified and necessary in the context and circumstances of these Cases. Each of these provisions is commonly found in debtor in possession financing agreements of this nature and the DIP Lenders would not have agreed to provide the DIP Facilities absent these provisions.

(a) Local Rule 4001-2(a)(i)(A) requires the disclosure of provisions that grant cross-collateralization protection (other than replacement liens or other adequate protection) to the prepetition secured creditors. Neither the DIP Agreement nor the Interim Order provides for cross-collateralization protection.

(b) Local Rule 4001-2(a)(i)(B) requires the disclosure of provisions or findings of fact that bind the estate or other parties in interest with respect to the validity, perfection or amount of the secured creditor's prepetition lien or the waiver of claims against the secured creditor without first giving parties in interest an opportunity to conduct an investigation. Although the Interim Order contains the Debtors' stipulations with respect to the validity, perfection and amount of liens held by the LIFO Lenders, the First Lien Lenders and the Second Lien Lenders, the Interim Order provides that any party in interest other than the Debtors (including the statutory committee of unsecured creditors appointed in these Cases (the "Committee")) with standing to do so shall have until the earlier of (x) the date that is 75 days after the Petition Date and (y) the date that is 60 days following the formation of the Committee (such deadline being subject to extension as may be specified by this Court for cause shown) to challenge the validity, perfection and amount of liens held by the LIFO

Lenders, the First Lien Lenders and the Second Lien Lenders. (Interim Order, ¶¶ 4, 21)

(c) Local Rule 4001-2(a)(i)(C) requires the disclosure of provisions that seek to waive, without notice, whatever rights the estate may have under section 506(c) of the Bankruptcy Code. While the Interim Order provides for a waiver of the Debtors' rights under section 506(c) of the Bankruptcy Code with respect to the DIP Collateral and the Prepetition Collateral (subject to the Carve-Out), such waiver is effective only upon the entry of the Final Order. (Interim Order, ¶ 10)

(d) Local Rule 4001-2(a)(i)(D) requires the disclosure of provisions that immediately grant to the prepetition secured creditor liens on the debtor's claims and causes of action arising under sections 544, 545, 547, 548 and 549 of the Bankruptcy Code. The Interim Order does not immediately grant to any prepetition secured lenders liens on the debtor's claims and causes of action arising under sections 544, 545, 547, 548 and 549 of the Bankruptcy Code. Upon entry of the Final Order, the First Lien Lenders and the Second Lien Lenders will be granted liens only on any proceeds or property recovered in respect of the Avoidance Actions as adequate protection. (Interim Order, ¶¶ (VII), 8(a))

(e) Local Rule 4001-2(a)(i)(E) requires disclosure of provisions that deem prepetition secured debt to be postpetition debt or that use postpetition loans from a prepetition secured creditor to pay part or all of that secured creditor's prepetition debt, other than as provided in section 552(b) of the Bankruptcy Code. The Interim Order provides that approximately $1.9 million of the Prepetition L/Cs issued under the First Lien Credit Agreement shall be deemed to have been issued under the DIP Agreement for the administrative convenience in respect of the issuance and any amendment of such outstanding letters of credit. In addition, the Interim Order authorizes the Debtors to use the proceeds of the initial borrowing of the DIP Loans to repay the LIFO Obligations in full in the aggregate amount of approximately $2.5 million. (Interim Order, ¶¶ (III), 5, 6)

(f) Local Rule 4001-2(a)(i)(F) requires disclosure of provisions that provide disparate treatment for the professionals retained by a creditors' committee from those professionals retained by the debtor with respect to a professional fee carve-out. Neither the DIP Agreement nor the Interim Order provides for disparate treatment of the professionals retained by the Debtors and the professionals retained by the Committee with respect to the Carve-Out.

(g) Local Rule 4001-2(a)(i)(G) requires disclosure of provisions that prime any secured lien without the consent of that lienor. Neither the DIP Agreement nor the Interim Order provides for the priming of any secured lien without the consent of that lienor. The First Lien Lenders are consenting to the DIP Liens priming their liens in exchange for the adequate protections provided to them as described above. By virtue of the First Lien Lenders' consent to the DIP Liens, pursuant and subject to the

Intercreditor Agreement, the Second Lien Lenders will be deemed to have consented to the DIP Liens.

Authority for Requested Relief

Standards of Approval under Sections 364(c) and 364(d)(1) of the Bankruptcy Code

28. Section 364(c) of the Bankruptcy Code requires a finding, made after notice and a hearing, that the debtors seeking postpetition financing on a secured basis cannot "obtain unsecured credit allowable under section 503(b)(1) of [the Bankruptcy Code] as an administrative expense." 11 U.S.C. § 364(c).

29. In addition, under section 364(d)(1) of the Bankruptcy Code, courts may, after notice and a hearing, authorize a debtor to obtain postpetition credit secured by a "priming" lien without consent from affected secured parties if the debtor cannot obtain credit elsewhere and the interests of existing lienholders are adequately protected. See 11 U.S.C. § 364(d)(1).

30. Specifically, section 364(d)(1) provides, in relevant part, that a court may, after notice and a hearing:

> authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate that is subject to a lien only if—
>
> (A) the [debtor] is unable to obtain credit otherwise; and
>
> (B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.

11 U.S.C. § 364(d)(1).

31. In evaluating proposed postpetition financing under sections 364(c) and 364(d)(1) of the Bankruptcy Code, courts perform a qualitative analysis and generally consider the following factors:

(a) unencumbered credit or alternative financing without superpriority status is available to the debtor;

(b) the credit transactions are necessary to preserve assets of the estate;

(c) the terms of the credit agreement are fair, reasonable, and adequate;

(d) the proposed financing agreement was negotiated in good faith and at arm's-length and entry thereto is an exercise of sound and reasonable business judgment and in the best interest of the debtors' estate and their creditors; and

(e) the proposed financing agreement adequately protects prepetition secured creditors.

See, e.g., In re Aqua Assoc., 123 B.R. 192 (Bankr. E.D. Pa. 1991) (applying the first three factors in making a determination under section 364(c)); In re Crouse Group, Inc., 71 B.R. 544 (Bankr. E.D. Pa. 1987) (same); Bland v. Farmworker Creditors, 308 B.R. 109, 113-14 (S.D. Ga. 2003) (applying all factors in making a determination under section 364(d)).

32. For the reasons discussed below, the Debtors satisfy the standards required to access postpetition financing on a superpriority claim and priming lien basis under sections 364(c) and 364(d) of the Bankruptcy Code.

The Debtors Cannot Obtain Financing On More Favorable Terms.

33. In demonstrating that credit was not available without the protections afforded by section 364(c) or 364(d) of the Bankruptcy Code, a debtor need only make a good faith effort. See, e.g., In re Ames Dep't Stores, Inc., 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (approving financing facility and holding that debtor made reasonable efforts to satisfy the standards of section 364(c) to obtain less onerous terms where debtor approached four lending institutions, was rejected by two and selected the least onerous financing option from the

remaining two lenders); see also In re Snowshoe Co., 789 F.2d 1085, 1088 (4th Cir. 1986) ("[t]he statute imposes no duty to seek credit from every possible lender before concluding that such credit is unavailable").

34. Moreover, where few lenders likely can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." In re Sky Valley, Inc., 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), aff'd sub nom., Anchor Sav. Bank FSB v. Sky Valley, Inc., 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); see also In re Stanley Hotel, Inc., 15 B.R. 660, 663 (D. Colo. 1981) (bankruptcy court's finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that section 364 requirement was met).

35. Prior to the Petition Date, when the Debtors endeavored to obtain postpetition financing, it became clear that the Debtors would not be able to obtain any such financing on a non-priming basis, much less on an unsecured, administrative expense or junior secured basis, based on the amount of secured claims against the Debtors relative to the valuation of the Debtors' business. Substantially all of the Debtors' assets are subject to the liens granted under the various agreements among the Debtors and their prepetition lenders. Because of the extent of the prepetition lenders' secured claims, obtaining the financing needed by the Debtors as unsecured debt or debt which would be secured by liens junior to the liens of the prepetition lenders was not a realistic option. Moreover, the Debtors' prepetition First Lien Lenders indicated that they would not consent to having their liens primed by a third party lender. Therefore, the Debtors determined that soliciting proposals from third party lenders would be futile and that the DIP Facilities were the best financing option available to them under the circumstances.

DIP Facilities Are Necessary to Preserve the Value of the Debtors' Estates

36. As debtors in possession, the Debtors have a fiduciary duty to protect and maximize their estates' assets. See In re Mushroom Transp. Co., 382 F.3d 325, 339 (3d Cir. 2004). The DIP Facilities, if approved, will provide working capital critical to funding the Debtors' day-to-day operations. Without access to the DIP Facilities, the Debtors will be forced to cease operations, which would (i) result in immediate and irreparable harm to their business, (ii) deplete the going concern value of the Debtors' business and (iii) jeopardize the Debtors' ability to implement the Plan Support Agreement. Because the Debtors' available and projected Cash Collateral is insufficient to fund their operations, the credit to be provided under the DIP Facilities is necessary to preserve the value of the Debtors' estates for the benefit of all stakeholders.

Terms of DIP Facilities are Fair, Reasonable and Adequate under the Circumstances

37. In considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. In re Farmland Indus., Inc., 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); see also Unsecured Creditors' Comm. Mobil Oil Corp. v. First Nat'l Bank & Trust Co. (In re Ellingsen MacLean Oil Co.), 65 B.R. 358, 365 (W.D. Mich. 1986) (a debtor may have to enter into hard bargains to acquire funds). The appropriateness of a proposed financing facility should also be considered in light of current market conditions. See Transcript of Record at 740:4-6, In re Lyondell Chem. Co., No. 09-10023 (REG) (Bankr. S.D.N.Y. Feb. 27, 2009) ("[B]y reason of present market conditions, as disappointing as the [DIP] pricing terms are, I find the provisions [of a DIP that included a roll-up of prepetition secured debt] reasonable here and now.").

38. Given the urgent need of the Debtors to obtain financial stability for the benefit of all parties in interest and the absence of available alternative financing, the terms of the DIP Facilities are fair, appropriate, reasonable and in the best interests of the Debtors, their estates and their creditors. The DIP Documents were negotiated extensively by the Debtors and the DIP Lenders, in good faith and at arm's length as required by section 364(e) of the Bankruptcy Code, with all parties represented by experienced counsel. As described above, during the negotiations, the DIP Lenders made notable concessions regarding the terms of the DIP Facilities, including pricing.

39. As a condition to closing under the DIP Agreement, the Debtors are required to repay the LIFO Obligations in full with the proceeds of the initial borrowing of the DIP Loans. The repayment of the LIFO Obligations with the proceeds of the DIP Loans is justified because the Debtors would not have been able to secure the DIP Facilities they need to stabilize their business without such condition. Moreover, the LIFO Lenders provided the LIFO Loans to the Debtors just two days before the Petition Date as an accommodation to provide the Debtors with sufficient liquidity pending obtaining the DIP Loans to permit the Debtors to enter chapter 11 in as smooth and orderly a fashion as possible under the circumstances.

40. The aggregate value of the Prepetition Collateral securing the LIFO Obligations substantially exceeds the aggregate amount of the LIFO Obligations and therefore, the LIFO Obligations are oversecured by a significant margin. Accordingly, the repayment of the LIFO Obligations impacts only the timing of the repayment of the LIFO Obligations but not their ultimate recovery. In addition, the applicable interest rate with respect to the LIFO Loans is greater than the applicable interest rate with respect to the DIP

Loans, so repayment of the LIFO Obligations with the initial borrowing under the DIP Loans will reduce the interest costs to the estates. Finally, the rights of parties in interest to challenge the LIFO Lenders' claims and liens are not eliminated by the repayment because the Interim Order preserves such rights during a certain period following the Petition Date as set forth therein.

41. The proposed DIP Agreement provides that the security interests and administrative expense claims granted to the DIP Lenders are subject to the Carve-Out. In In re Ames Dep't Stores, 115 B.R. 34 (Bankr. S.D.N.Y. 1990), the court found that such "carve-outs" are not only reasonable, but are necessary to ensure that official committees and the debtor's estate will be assured of the assistance of counsel. Id. at 40.

42. The Debtors agreed to pay commitment, underwriting, arranger and administrative agency fees to the DIP Agent, the Arranger and the DIP Lenders, in the aggregate amount of approximately 4% of the aggregate amount of the commitments available under the DIP Facilities. The Debtors believe that these fees are reasonable and appropriate under the circumstances. Indeed, courts routinely authorize similar lender incentives beyond the explicit liens and other rights specified in section 364 of the Bankruptcy Code. See, e.g., In re Defender Drug Stores, Inc., 145 B.R. 312, 316 (9th Cir. BAP 1992) (authorizing credit arrangement under section 364, including a lender "enhancement fee").

43. In addition, the deemed issuance of the Prepetition L/Cs under the DIP Agreement is appropriate to, among other things, provide for administrative convenience in respect of the issuance and any amendment of such outstanding letters of credit.

Entry into the DIP Agreement Reflects the Debtors' Reasonable Business Judgment

44. A debtor's decision to enter into a postpetition lending facility under section 364 of the Bankruptcy Code is governed by the business judgment standard. See In re Trans World Airlines, Inc., 163 B.R. 964, 974 (Bankr. D. Del 1994) (noting that the interim loan, receivable facility and asset based facility were approved because they "reflect[ed] sound and prudent business judgment ... [were] reasonable under the circumstances and in the best interests of TWA and its creditors"); In re Ames Dep't Stores, Inc., 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("cases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit parties in interest"); Group of Institutional Holdings v. Chicago Mil. St. P. & Pac. Ry., 318 U.S. 523, 550 (1943); In re Simasko Prod. Co., 47 B.R. 444, 449 (Bankr. D. Colo. 1985) ("Business judgments should be left to the board room and not to this Court."); In re Lifeguard Indus., Inc., 37 B.R. 3, 17 (Bankr. S.D. Ohio 1983) (same).

45. Bankruptcy courts typically defer to debtors' business judgment on the decision to borrow money unless such decision is arbitrary and capricious. See In re Trans World Airlines, Inc. 163 B.R. at 974. In fact, "[m]ore exacting scrutiny would slow the administration of the debtor's estate and increase its cost, interfere with the Bankruptcy Code's provision for private control of administration of the estate and threaten the court's ability to control a case impartially." Richmond Leasing Co. v. Capital Bank, N.A., 762 F.2d 1303, 1311 (5th Cir. 1985).

46. For the reasons set forth above, the Debtors submit that the entry into the DIP Facilities is the exercise of the Debtors' reasonable business judgment.

Proposed Adequate Protection is Appropriate

47. To the extent a secured creditor's interests in the collateral constitute valid and perfected security interests and liens as of the Petition Date, section 364(d)(1)(B) of the Bankruptcy Code requires that adequate protection be provided where the liens of such secured creditor are being primed to secure the obligations under a debtor in possession financing facility. Section 361 of the Bankruptcy Code delineates the forms of adequate protection, which include periodic cash payments, additional liens, replacement liens and other forms of relief. What constitutes adequate protection must be decided on a case-by-case basis. See In re O'Connor, 808 F.2d 1393, 1396 (10th Cir. 1987); In re Martin, 761 F.2d 472 (8th Cir. 1985). The focus of the requirement is to protect a secured creditor from the diminution in the value of its interest in the particular collateral during the period of use. See In re Swedeland Dev. Group, Inc., 16 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy.") (internal citations omitted).

48. The proposed adequate protection is comprised of, among other things, the payment of interest, the payment of fees and expenses of the First Lien Agent (including for its counsel and financial advisors), the payment of reasonable expenses of members of the steering committee of the First Lien Lenders and the granting of replacement liens and superpriority claims for the First Lien Lenders, which are customary in this type of transactions. The Second Lien Lenders will receive as adequate protection junior replacement

liens and superpriority claims, in each case subject to the terms of the Intercreditor Agreement.

49. The Debtors believe that the adequate protection proposed herein to protect any diminution in value of the First Lien Lenders' and the Second Lien Lenders' interest in the Prepetition Collateral is fair and reasonable. In reliance upon such adequate protection, the First Lien Lenders have consented to the priming of their prepetition liens. The consent of the First Lien Lenders permits the Debtors to avoid potentially time consuming and unpredictable priming litigation. The First Lien Lenders' consent to the priming of their liens thus permits the Debtors to save considerable resources, not to mention avoid a delay, in obtaining postpetition financing. Upon the First Lien Lenders' consent to such priming liens, the Second Lien Lenders are deemed to have consented to, and have no right to object to, such priming liens pursuant and subject to the Intercreditor Agreement. And importantly, the proposed adequate protection shall only be provided to the extent there is any diminution in value to the prepetition lenders' interest in the Prepetition Collateral. Accordingly, based upon the foregoing, the Debtors respectfully request that the Court authorize the Debtors to provide the adequate protection described above to the prepetition lenders.

50. Accordingly, pursuant to sections 364(c) and 364(d) of the Bankruptcy Code, the Debtors respectfully submit that they should be granted authority to enter into the DIP Documents and borrow from the DIP Lenders on the secured and administrative superpriority basis described herein.

Approval of Use of Cash Collateral is Appropriate

51. Section 363(c)(2) of the Bankruptcy Code provides that a debtor may not use, sell or lease cash collateral unless "(a) each entity that has an interest in such cash collateral

consents; or (b) the court, after notice and hearing, authorizes such use, sale, or lease in accordance with the provisions of this section."

52. The Debtors have an urgent need for the immediate use of the Prepetition Collateral, including the Cash Collateral, and seek to use all Cash Collateral existing on or after the Petition Date through and including the Termination Date pursuant to the terms of the DIP Documents. The Debtors need the Cash Collateral to pay operating expenses, including payroll and vendors, in order to ensure a continued supply of goods and services essential to the Debtors' business. Indeed, absent such relief, the Debtors' businesses will be brought to an immediate halt, with damaging consequences for the Debtors and their estates and creditors.

53. The Debtors believe that the terms and conditions of their use of the Cash Collateral (including the provision of the adequate protection described above) are appropriate and reasonable and that such adequate protection is sufficient to secure any Adequate Protection Obligations under the circumstances. Furthermore, the First Lien Lenders have consented to the Debtors' use of Cash Collateral subject to the terms and conditions of the DIP Documents and the Interim Order. By virtue of the First Lien Lenders' consent to the Debtors' use of Cash Collateral, pursuant and subject to the Intercreditor Agreement, the Second Lien Lenders are deemed to have consented to such use of the Cash Collateral.

54. Courts in this district have granted similar relief in other recent chapter 11 cases. See, e.g., In re Sharper Image Corp., No. 08-10322 (KG) (Bankr. D. Del. March 7, 2008); In re Buffets Holdings, Inc., No. 08-10141 (MFW) (Bankr. D. Del. Feb. 22, 2008); In re Pope & Talbot, Inc., No. 07-11738 (CSS) (Bank. D. Del. Dec. 7, 2007); In re HomeBanc Mortgage Corp., No. 07-11079 (KC) (Bankr. D. Del. Sept. 13, 2007). Therefore, the Debtors

submit that they should be authorized to use the Cash Collateral on the terms set forth in this Motion.

Modification of the Automatic Stay

55. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Lenders to exercise, upon the occurrence and during the continuation of any event of default under the DIP Agreement, all rights and remedies provided in the DIP Agreement without further order of or application to the Court. However, the DIP Lenders must provide the Debtors and various other parties with five business days' written notice prior to exercising any enforcement rights or remedies in respect of their collateral.

56. Stay modification provisions of this sort are common features of postpetition financing facilities and, in the Debtors' business judgment, are reasonable under these circumstances. Accordingly, the Debtors request that the Court modify the automatic stay to the extent contemplated by the DIP Agreement and the proposed orders.

Approval of Interim Relief

57. Bankruptcy Rules 4001(b)(2) and 4001(c)(2) provide that a final hearing on a motion to use cash collateral or obtain credit, respectively, may not be commenced earlier than 14 days after the service of such motion. Upon request, however, the court may conduct a preliminary expedited hearing on the motion and authorize the use of cash collateral and the obtaining of credit on an interim basis "to the extent necessary to avoid immediate and irreparable harm to the estate pending a final hearing." Fed. R. Bankr. P. 4001(b)(2); (c)(2).

58. As described above, the Debtors have an urgent and immediate need for cash to continue to operate especially in light of the fact that August through October is the

Debtors' peak period for receiving shipments of goods that will be sold during the holiday shopping season. Given the immediate and irreparable harm to be suffered by the Debtors, their estates and their creditors absent interim relief, the Debtors request that, pending the Final Hearing, the Court schedule an interim hearing on the Petition Date or as soon thereafter as practicable to consider the Debtors' application for authorization to obtain interim financing under the DIP Facilities and to use the Cash Collateral.

Final Hearing and Form and Manner of Notice

59. The DIP Agreement requires that a Final Order approving this Motion be entered within 40 days after the Petition Date. The Debtors therefore request that the Court (i) schedule the Final Hearing no later than 30 days after the Petition Date and (ii) approve the Interim Order as adequate notice of the Final Hearing.

60. Pursuant to Bankruptcy Rule 4001, the Debtors will serve a copy of this Motion including all exhibits hereto (including the DIP Agreement but without the schedules thereto)[4] upon their thirty largest (on a consolidated basis) unsecured creditors, the DIP Agent, the First Lien Agent, the Second Lien Agent and the U.S. Trustee. The Debtors submit that such notice is adequate and sufficient.

61. The Debtors further request that the Court specify that any and all objections to this Motion (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) state the basis of such objection with specificity; (d) be filed with the clerk of the Bankruptcy Court for the District of Delaware, Third Floor, 824 Market Street, Wilmington, Delaware 19801; and (e) be served upon (i) Oriental Trading Company, Inc., 5455 South 90th Street,

[4] The schedules will be provided to the DIP Agent, the First Lien Agent, the Second Lien Agent, the U.S. Trustee and the Committee when appointed.

Omaha, Nebraska 68127 (Attn: Robert R. Siffring, General Counsel), Facsimile: (402) 331-3873; (ii) co-counsel to the Debtors, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022 (Attn: Richard F. Hahn, Esq. and My Chi To, Esq.); Facsimile: (212) 909-6836; (iii) co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899 (Attn: Joel A. Waite, Esq.), Facsimile: (302) 571-1253; (iv) counsel to the Committee, if and when appointed; (v) counsel to the DIP Agent and the First Lien Agent, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017 (Attn: Steven Fuhrman, Esq. and Elisha Graff, Esq.), Facsimile: (212) 455-2502 and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801 (Attn: Mark D. Collins, Esq.), Facsimile: (302) 498-7531; (vi) counsel to the Second Lien Agent, Kramer, Levin, Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Esq.), Facsimile: (212) 715-8000; and (vii) the U.S. Trustee, in each case to allow actual receipt by the foregoing no later than seven business days prior to the date of the Final Hearing.

WHEREFORE, the Debtors respectfully request entry of the Interim Order in the form attached hereto as Exhibit B.

Dated: Wilmington, Delaware
August 25, 2010

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Kenneth J. Enos (No. 4544)
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PROPOSED ATTORNEYS FOR THE DEBTORS AND DEBTORS IN POSSESSION

EXHIBIT A

DIP Agreement

$40,000,000

CREDIT AND GUARANTEE AGREEMENT

among

OTC HOLDINGS CORPORATION,
a Debtor and Debtor-in-Possession, as a Guarantor,

OTC INVESTORS CORPORATION,
a Debtor and Debtor-in-Possession, as a Guarantor,

ORIENTAL TRADING COMPANY, INC.,
a Debtor and Debtor-in-Possession, as Borrower,

THE OTHER GUARANTORS NAMED HEREIN,
each as a Debtor and Debtor-in-Possession,

The Several Lenders from Time to Time Parties Hereto,

and

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

Dated as of August [_], 2010

J.P. MORGAN SECURITIES INC.,
as Sole Lead Arranger and Sole Bookrunner

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SCHEDULES:

EXHIBITS:

CREDIT AND GUARANTEE AGREEMENT, dated as of August [ ], 2010, among (i) ORIENTAL TRADING COMPANY, INC., a Delaware corporation, which is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (the "Borrower"), (ii) OTC HOLDINGS CORPORATION, a Delaware corporation ("Parent"), OTC INVESTORS CORPORATION, a Delaware corporation ("Holdings"), and each of the direct and indirect, existing and future, Subsidiaries of the Borrower signatory hereto (such Subsidiaries, collectively with Parent and Holdings, the "Guarantors" and together with the Borrower, collectively, the "Debtors" and each a "Debtor"), each of which Guarantors is a debtor and debtor-in-possession in a case pending under Chapter 11 of the Bankruptcy Code (the cases of the Debtors, collectively, the "Cases" and each a "Case"), (iii) the several banks and other financial institutions or entities from time to time parties to this Agreement (the "Lenders"), and (iv) JPMORGAN CHASE BANK, N.A., as Administrative Agent.

INTRODUCTORY STATEMENT:

On August 25, 2010 (the "Petition Date"), the Debtors filed voluntary petitions with the Bankruptcy Court (such term and other capitalized terms used in this Introductory Statement being used with the meanings given to such terms in Section 1.1) initiating the Cases and have continued in the possession of their assets and in the management of their businesses pursuant to Bankruptcy Code Sections 1107 and 1108.

Pursuant to this Agreement and the Orders, the Lenders are making available to the Borrower a $40,000,000 debtor-in-possession facility consisting of (i) a term loan facility in an aggregate principal amount not to exceed $33,500,000, and (ii) a revolving loan facility in an aggregate principal amount not to exceed $6,500,000, including a letter of credit sub-facility in an aggregate principal amount not to exceed $5,000,000 (in each case, subject to optional and mandatory reductions in accordance with Section 2.11 and 2.12, respectively), all of the Borrower's obligations with respect to which are guaranteed by the Guarantors.

The proceeds of the Loans and the Letters of Credit will be used for working capital and other general corporate purposes of the Debtors, in all cases subject to the terms of this Agreement, the Orders and the Budget (and any variance thereof permitted hereunder).

To provide guarantees for the repayment of the Loans, the reimbursement of any draft drawn under the Letters of Credit and the payment of the other Obligations of the Debtors hereunder and under the other Loan Documents, the Debtors are providing to the Administrative Agent and the Lenders, pursuant to this Agreement and the Orders, the following (each as more fully described herein):

(a) a guarantee from each of the Guarantors of the due and punctual payment and performance of the Obligations of the Borrower hereunder;

(b) with respect to the Obligations of the Debtors hereunder, an allowed joint and several administrative expense claim entitled to the benefits of Bankruptcy Code Section 364(c)(1) in each of the Cases, having superpriority over any and all administrative expenses of the kind specified in Bankruptcy Code Sections 503(b) or 507(b);

(c) pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to either (x) valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date, or (y) a valid lien perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered

Property"); provided, that the Unencumbered Property shall not include the Avoidance Actions (as defined below), but subject to entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions;

(d) pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in clause (e) below, as to which the Liens granted to the Administrative Agent for the benefit of the Lenders will have the priority as described in such clause), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Non-Primed Liens"), which security interests and liens granted to the Administrative Agent for the benefit of the Lenders shall be junior to the Non-Primed Liens; and

(e) pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority, senior priming lien on, and security interest in, all collateral securing the Prepetition Obligations (whether now existing or hereafter acquired) (the "Prepetition Collateral") senior in all respects to the security interests in, and liens on, the Prepetition Collateral of (x) the Prepetition First Lien Secured Parties (including any Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations owed to the Prepetition First Lien Secured Parties) and (y) the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders (including any Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations owed to the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders), but junior to any Non-Primed Liens on the Prepetition Collateral.

All of the claims and the Liens granted hereunder and pursuant to the Orders in the Cases to the Administrative Agent and the Lenders shall be subject to the Carve-Out, but in each case only to the extent provided in Section 2.24 and the Orders.

Accordingly, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

"ABR": for any day, a rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus ½ of 1%, (c) the Eurocurrency Rate for a one month interest period in effect on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1% and (d) 3.0%. For purposes hereof: (1) "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City (the Prime Rate not being intended to be the lowest rate of interest charged by JPMorgan Chase Bank in connection with extensions of credit to debtors) and (2) the Eurocurrency Rate for any day shall be based on the rate for deposits in Dollars appearing on page LIBOR01 of the Reuters screen (or on any successor or substitute page of such page) at approximately 11:00 a.m. London time on such day. Any change in the ABR due to a change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate, respectively.

"ABR Loans": Loans the rate of interest applicable to which is based upon the ABR.

"Additional Credit": as defined in Section 5.2(c).

"Administrative Agent": JPMorgan Chase Bank, as the administrative agent for the Lenders under this Agreement and the other Loan Documents, together with any of its successors.

"Affiliate": as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, "control" of a Person means the power, directly or indirectly, either to (a) vote 10% or more of the securities having ordinary voting power for the election of directors (or persons performing similar functions) of such Person or (b) direct or cause the direction of the management and policies of such Person, in either case whether by contract or otherwise.

"Aggregate Available Revolving Commitments": at any date, the aggregate amount of the Revolving Commitments minus the sum of (a) Revolving Loans then outstanding and (b) L/C Obligations then outstanding.

"Aggregate Exposure": with respect to any Lender at any time, an amount equal to (a) until the Closing Date, the aggregate amount of such Lender's Commitments at such time, and (b) thereafter, the sum of (i) the aggregate then unpaid principal amount of such Lender's Term Loans, plus the aggregate amount of such Lender's Term Commitments then in effect, if any, and (ii) the aggregate amount of such Lender's Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender's Revolving Extensions of Credit then outstanding.

"Aggregate Exposure Percentage": with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender's Aggregate Exposure at such time to the total Aggregate Exposures of all Lenders at such time.

"Agreed Purposes": as defined in Section 12.14.

"Agreement": this Credit and Guarantee Agreement, as amended, restated, supplemented or otherwise modified from time to time.

"Applicable Margin": for ABR Loans, 4.75% per annum, and for Eurocurrency Loans, 5.75% per annum.

"Application": an application, in the form from time to time in use by the relevant Issuing Lender for requests to open, amend, renew or extend a Letter of Credit.

"Approved Fund": as defined in Section 12.6(b).

"Asset Sale": any Disposition of Property or series of related Dispositions of Property (excluding (i) any such Disposition permitted by Section 7.5 as in effect on the Closing Date, and (ii) any such Disposition which is a Recovery Event) which yields Net Cash Proceeds to any Loan Party (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of $50,000.

"Assignee": as defined in Section 12.6(b).

"Assignment and Assumption": an Assignment and Assumption, substantially in the form of Exhibit D.

"Available Revolving Commitment": as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Revolving Commitment then in effect over (b) such Lender's Revolving Extensions of Credit then outstanding.

"Available Term Commitment": as to any Term Lender at any time, an amount equal to the excess, if any, of (a) such Lender's Term Commitment then in effect over (b) such Lender's Term Loans then outstanding.

"Avoidance Actions": the Debtors' claims and causes of action arising under Sections 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code.

"Bankruptcy Code": the Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. §§101 et seq.

"Bankruptcy Court": the United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over the Cases from time to time.

"Benefited Lender": as defined in Section 12.7(a).

"Board": the Board of Governors of the Federal Reserve System of the United States (or any successor).

"Board of Directors": (a) with respect to a corporation, the Board of Directors of the corporation or any committee thereof duly authorized to act on behalf of such board; (b) with respect to a partnership, the Board of Directors of the general partner of the partnership; (c) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and (d) with respect to any other Person, the board or committee of such Person serving a similar function.

"Borrower": as defined in the preamble hereto.

"Borrowing Date": any Business Day specified by the Borrower as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

"Borrowing Notice": a notice substantially in the form of Exhibit F-1 or Exhibit F-2, as the context may require.

"Budget": the cash flow projections of the Debtors, showing anticipated cash receipts, disbursements and borrowings in a thirteen-week format for the weekly period which includes the Petition Date through the next thirteen weeks, in form, detail and substance reasonably satisfactory to the Required Lenders, and as such projections may thereafter be updated in accordance with Section 6.2(b).

"Business Day": a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close, provided, that with respect to notices and determinations in connection with, and payments of principal and interest on, Eurocurrency Loans, such day is also a day for trading by and between banks in deposits in the relevant currency in the interbank eurocurrency market.

"Capital Expenditures": for any period, with respect to any Person, the aggregate of all cash expenditures by such Person during such period for the acquisition or leasing (pursuant to a capital lease of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) which are required to be capitalized under GAAP on a balance sheet of such Person and its Subsidiaries, excluding any expenditure to the extent financed with any Reinvestment Deferred Amount.

"Capital Lease Obligations": as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock": any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation).

"Carve-Out": as defined in Section 2.24(a).

"Carve-Out Event": as defined in Section 2.24(a).

"Carve-Out Notice": as defined in Section 2.24(a).

"Cases": as defined in the preamble to this Agreement.

"Cash Balance": as defined in Section 2.12(c).

"Cash Balance Limit": as defined in Section 2.12(c).

"Cash Collateral": as defined in Section 363(a) of the Bankruptcy Code.

"Cash Equivalents": (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of one year or less from the date of acquisition issued by any Lender or by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than $500,000,000; (c) commercial paper of an issuer rated at least A-2 by S&P or P-2 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within one year from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; and (g) shares of money

market mutual or similar funds which invest exclusively in assets satisfying the requirements of any of clauses (a) through (f) of this definition; or (h) money market funds that (i) purport to comply generally with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, as amended, (ii) are rated AAA by S&P or Aaa by Moody's or carrying an equivalent rating by a nationally recognized rating agency, and (iii) have portfolio assets of at least $5,000,000,000.

"Closing Date": the date on which the conditions precedent set forth in Section 5.1 shall have been satisfied and the initial Loans hereunder shall have been funded, which date is August [_], 2010.

"Code": the Internal Revenue Code of 1986, as amended from time to time.

"Collateral": all Property of the Loan Parties, now owned or hereafter acquired, as more particularly described and referred to as "DIP Collateral" in the Orders.

"Commitment": as to any Lender, the sum of the Term Commitments and the Revolving Commitments of such Lender.

"Commitment Fee Rate": ¾ of 1% per annum.

"Commonly Controlled Entity": an entity, whether or not incorporated, that is under common control with any Loan Party within the meaning of Section 4001 of ERISA or is part of a group that includes the any Loan Party and that is treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

"Commonly Controlled Plan": as defined in Section 4.12(b).

"Concentration Account" : an account to be established and maintained at the Administrative Agent, which account and all amounts deposited therein are subject to the exclusive dominion and control of the Administrative Agent pursuant to documentation reasonably satisfactory to the Administrative Agent.

"Confidential Information": as defined in Section 12.14.

"Confirmation Order": an order of the Bankruptcy Court confirming the Plan of Reorganization.

"Consolidated EBITDA": of any Person for any period, Consolidated Net Income of such Person and its Subsidiaries for such period plus, without duplication and to the extent deducted in the calculation of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including commitment, letter of credit, and administrative fees and charges with respect to such Indebtedness and the fees and expenses of ratings agencies in connection with obtaining and maintaining ratings in respect of any such Indebtedness), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) professional fees, costs, charges and expenses incurred in connection with restructuring and reorganization to the extent not exceeding the Budget, (f) Controllable Restructuring Costs in an aggregate amount not to exceed $2,000,000 during the term of this Agreement (other than those costs incurred prior to the date of this Agreement) and (g) any extraordinary, unusual or non-recurring non-cash expenses or losses (including, whether or not otherwise includable as a separate item in such Consolidated Net Income for such period, non-cash losses on sales of assets outside

the ordinary course of business), provided that the amounts referred to in this clause (g) shall not, in the aggregate, exceed $100,000 for any fiscal quarter of the Borrower commencing with the fiscal quarter starting October 2011, and minus, to the extent included in the statement of such Consolidated Net Income for such period, the sum of (a) interest income (except to the extent deducted in determining Consolidated Net Interest Expense), (b) any extraordinary, unusual or non-recurring income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside the ordinary course of business), and (c) any other non-cash income or gains, all as determined on a consolidated basis (provided that any cash received in a subsequent period in respect of any such non-cash gain shall be included in Consolidated EBITDA for the period in which received).

"Consolidated Net Income": of any Person for any period, the consolidated net income (or loss) of such Person and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP; provided, that in calculating Consolidated Net Income of Holdings and its consolidated Subsidiaries for any period, there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries and (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions.

"Contractual Obligation": as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its Property is bound.

"Controllable Restructuring Costs": non-recurring and other one-time costs incurred by any Loan Party in connection with the reorganization of its business, operations and structure in respect of (a) the implementation of ongoing operational initiatives, (b) closures, consolidation, relocation or elimination of facilities, (c) related severance costs, employee retention, and other costs incurred in connection with the termination, relocation and training of employees, and (d) any reasonable costs, fees, expenses or disbursements of attorneys, consultants or advisors to any Loan Party incurred in connection with any of the foregoing.

"Debtors": as defined in the preamble hereto.

"Default": any of the events specified in Section 8, whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Disclosure Statement": the disclosure statement, in respect of the Plan of Reorganization, in form and substance reasonably satisfactory to the Required Lenders, to be distributed to certain holders of claims (as defined in Section 101(5) of the Bankruptcy Code) against the Debtors.

"Disposition": with respect to any Property, any sale, sale and leaseback, assignment, conveyance, transfer or other effectively complete disposition thereof. The terms "Dispose" and "Disposed of" shall have correlative meanings.

"Disqualified Capital Stock": Capital Stock that (a) requires the payment of any cash dividends prior to the date that is 91 days after the Termination Date, (b) matures or is mandatorily redeemable (other than solely for Qualified Capital Stock) or subject to mandatory repurchase or redemption or repurchase at the option of the holders thereof (other than solely for Qualified Capital Stock), in each case in whole or in part and whether upon the occurrence of any event, pursuant to a

sinking fund obligation on a fixed date or otherwise (including as the result of a failure to maintain or achieve any financial performance standards), prior to the date that is 91 days after the Termination Date (other than (i) upon termination of the Commitments and payment in full of the Obligations then due and owing or (ii) upon a "change in control", provided, that any payment required pursuant to this clause (ii) is contractually subordinated in right of payment to the Obligations on terms reasonably satisfactory to the Administrative Agent) or (c) are convertible or exchangeable, automatically or at the option of any holder thereof, into any Indebtedness, Capital Stock or other assets other than Qualified Capital Stock, prior to the date that is 91 days after the Termination Date.

"Dollars" and "$": dollars in lawful currency of the United States.

"Effective Date": the effective date of the Plan of Reorganization.

"Environmental Laws": any and all applicable laws, rules, orders, regulations, statutes, ordinances, codes or decrees (including, without limitation, common law) of any international authority, foreign government, the United States, or any state, provincial, local, municipal or other Governmental Authority, regulating, relating to or imposing liability or standards of conduct concerning protection of the environment, as has been, is now, or at any time hereafter is, in effect.

"Environmental Liability": any liability, claim, action, suit, judgment or order under or relating to any Environmental Law for any damages, injunctive relief, losses, fines, penalties, fees, expenses (including reasonable fees and expenses of attorneys and consultants) or costs, whether contingent or otherwise, including those arising from or relating to: (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Materials of Environmental Concern, (c) exposure to any Materials of Environmental Concern, (d) the Release of any Materials of Environmental Concern or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Environmental Permits": any and all permits, licenses, approvals, registrations, exemptions and other authorizations required under any Environmental Law.

"ERISA": the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Eurocurrency Base Rate": with respect to each day during each Interest Period pertaining to a Eurocurrency Loan, the rate per annum determined on the basis of the rate for deposits in the relevant currency for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on page LIBOR01 of the Reuters screen (or on any successor or substitute page of such page) as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on page LIBOR01 of the Reuters screen (or on any successor or substitute page of such page), the "Eurocurrency Base Rate" shall be determined by reference to such other comparable publicly available service for displaying eurocurrency rates as may be selected by the Administrative Agent or, in the absence of such availability, by reference to the rate at which the Administrative Agent is offered deposits in the relevant currency at or about 11:00 A.M., local time, two Business Days prior to the beginning of such Interest Period in the interbank eurocurrency market where its eurodollar and foreign currency and exchange operations are then being conducted for delivery on the first day of such Interest Period for the number of days comprised therein.

"Eurocurrency Loans": Loans the rate of interest applicable to which is based upon the Eurocurrency Rate.

"Eurocurrency Rate": with respect to each day during each Interest Period pertaining to a Eurocurrency Loan, a rate per annum equal to the greater of (a) a rate determined for such day in accordance with the following formula (rounded upward to the nearest 1/100th of 1%):

$$\frac{\text{Eurocurrency Base Rate}}{\text{1.00 - Eurocurrency Reserve Requirements}}$$

and (b) 2.0%.

"Eurocurrency Reserve Requirements": for any day as applied to a Eurocurrency Loan, the aggregate (without duplication) of the maximum rates (expressed as a decimal fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

"Eurocurrency Tranche": the collective reference to Eurocurrency Loans under a particular Facility the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default": any of the events specified in Section 8, provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Existing Letters of Credit": each of the letters of credit described on Schedule 1.1B hereto.

"Facility": each of (a) the Term Commitments and the Term Loans made thereunder (the "Term Facility") and (b) the Revolving Commitments and the extensions of credit made thereunder (the "Revolving Facility").

"Federal Funds Effective Rate": for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by JPMorgan Chase Bank from three federal funds brokers of recognized standing selected by it.

"Fee Payment Date": (a) the last day of each calendar month and (b) the last day of the Revolving Commitment Period.

"Final Order": an order of the Bankruptcy Court entered in the Cases, in substantially the form of the Interim Order, with such modifications thereto as are reasonably satisfactory to the Required Lenders.

"Final Order Date": the date of entry by the Bankruptcy Court of the Final Order.

"Funding Office": the office of the Administrative Agent specified in Section 12.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

"GAAP": generally accepted accounting principles in the United States.

"Governmental Authority": any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Lender, any securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

"Group Members": the collective reference to Parent, Holdings and the Borrower and its Subsidiaries.

"Guarantee Obligation": as to any Person (the "guaranteeing person"), any obligation, contingent or otherwise, of the guaranteeing person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation (the "primary obligation") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any such obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the Borrower in good faith. The term "guarantee" as a verb has a corresponding meaning.

"Guarantors": as defined in the preamble hereto.

"Hedge Agreements": all interest rate or currency swaps, caps or collar agreements or similar arrangements entered into by the Borrower or its Subsidiaries providing for protection against fluctuations in interest rates or currency exchange rates or the exchange of nominal interest obligations, either generally or under specific contingencies.

"Holdings": as defined in the preamble hereto.

"Indebtedness": of any Person at any date, without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of Property or services (other than trade payables, current accounts and similar obligations incurred in the ordinary course of such Person's business), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property, in which case only the lesser of the amount of such obligations and the fair market value of such Property shall constitute Indebtedness), (e) all Capital Lease Obligations of such Person, (f) all obligations of such Person, contingent or otherwise, as an account party or applicant under acceptance, letter of credit or similar facilities, (g) all obligations of such Person in respect of Disqualified Capital Stock of such Person, (h) all Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, and (i) all obligations of the kind referred to in clauses (a) through (h) above secured by (or for which the holder of such obligation has an

existing right, contingent or otherwise, to be secured by) any Lien on Property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligation (and in the event such Person has not assumed or become liable for payment of such obligation, only the lesser of the amount of such obligation and the fair market value of such Property shall constitute Indebtedness).

"Insolvency": with respect to any Multiemployer Plan, the condition that such Plan is insolvent within the meaning of Section 4245 of ERISA.

"Insolvent": pertaining to a condition of Insolvency.

"Intellectual Property": the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including, without limitation, copyrights, copyright licenses, domain names, patents, patent licenses, trademarks, trademark licenses, trade names, technology, know-how and processes.

"Interest Payment Date": (a) as to any ABR Loan, the third Business Day following the last day of each calendar month to occur while such Loan is outstanding and the Termination Date, (b) as to any Eurocurrency Loan having an Interest Period of one month or less, the last day of such Interest Period, (c) as to any Eurocurrency Loan having an Interest Period longer than one month, each day that is one month after the first day of such Interest Period and the last day of such Interest Period and (d) as to any Loan (other than any Revolving Loan that is an ABR Loan), the date of any repayment or prepayment made in respect thereof.

"Interest Period": as to any Eurocurrency Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such Eurocurrency Loan and ending one, two or three months thereafter, as selected by the Borrower in its notice of borrowing or notice of conversion, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such Eurocurrency Loan and ending one, two, three or six months thereafter, as selected by the Borrower by irrevocable notice to the Administrative Agent, not later than 1:00 P.M., New York City time, on the date that is three Business Days prior to the last day of the then current Interest Period with respect thereto; provided that, all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) any Interest Period that would otherwise extend beyond the Maturity Date shall end on the Maturity Date; and

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

"Interim Order": an order of the Bankruptcy Court entered in the Cases granting interim approval of the transactions contemplated by this Agreement and the other Loan Documents and granting the Liens and Superpriority Claims described in the Introductory Statement in favor of the Administrative Agent and the Lenders, substantially in the form of Exhibit A hereto, or otherwise in form and substance reasonably satisfactory to the Required Lenders.

"Investments": as defined in Section 7.8.

"Issuing Lender": (a) JPMorgan Chase Bank, or (b) any other Revolving Lender from time to time designated by the Borrower as an Issuing Lender with the consent of such other Revolving Lender and the Administrative Agent (such consent of the Administrative Agent not to be unreasonably withheld, conditioned or delayed).

"JPMorgan Chase Bank": JPMorgan Chase Bank, N.A.

"L/C Commitment": $5,000,000.

"L/C Obligations": at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed.

"L/C Participants": the collective reference to all the Revolving Lenders other than the applicable Issuing Lender.

"Lead Arranger": J.P. Morgan Securities Inc.

"Lenders": as defined in the preamble hereto.

"Letters of Credit": as defined in Section 3.1(a) and shall for all purposes hereunder include each Existing Letter of Credit.

"Lien": any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing). For the avoidance of doubt, it is understood and agreed that any Group Member may, as part of its business, grant licenses to third parties to use Intellectual Property owned or developed by, or licensed to, such Group Member. For purposes of this Agreement and the other Loan Documents, such licensing activity shall not constitute a "Lien" on such Intellectual Property. Each of the Administrative Agent and each Lender understands that any such licenses may be exclusive to the applicable licensees, and such exclusivity provisions may limit the ability of the Administrative Agent to utilize, sell, lease, license or transfer the related Intellectual Property or otherwise realize value from such Intellectual Property pursuant hereto.

"Loan": any loan made by any Lender pursuant to this Agreement.

"Loan Documents": the collective reference to this Agreement and the Orders, each as amended, waived, supplemented or otherwise modified from time to time.

"Loan Parties": Parent, Holdings, the Borrower and each Subsidiary Guarantor.

"Majority Facility Lenders": with respect to any Facility, the holders of more than 50% of the aggregate unpaid principal amount of the Term Loans and the aggregate amount of Term Commitments then in effect, if any, or the Total Revolving Extensions of Credit, as the case may be, outstanding under such Facility (or, in the case of the Revolving Facility, prior to any termination of the Revolving Commitments, the holders of more than 50% of the Total Revolving Commitments).

"Majority Revolving Facility Lenders": the Majority Facility Lenders in respect of the Revolving Facility.

"Majority Term Facility Lenders": the Majority Facility Lenders in respect of the Term Facility.

"Material Adverse Effect": a material adverse effect on (a) the business, operations, property or financial condition of the Borrower and its Subsidiaries, taken as a whole (other than the commencement of the Cases and events customarily leading up to and following the commencement of a proceeding under Chapter 11 of the Bankruptcy Code), or (b) the validity or enforceability of the Loan Documents or the material rights and remedies of the Administrative Agent and the Lenders thereunder, in each case, taken as a whole.

"Materials of Environmental Concern": any gasoline or petroleum (including crude oil or any fraction thereof) or petroleum products, polychlorinated biphenyls, urea-formaldehyde insulation, asbestos, pollutants, contaminants, radioactive materials and any other substances that are defined as hazardous or toxic under any Environmental Law, that are regulated pursuant to, or that could give rise to liability under, any Environmental Law.

"Maturity Date": February [__], 2011.

"Monthly Financial Report": a Monthly Financial Report substantially in the form delivered pursuant to Prepetition First Lien Credit Agreement.

"Monthly Marketing Report": a Monthly Marketing Report substantially in the form delivered pursuant to Prepetition First Lien Credit Agreement.

"Moody's": Moody's Investors Service.

"Multiemployer Plan": a Plan that is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Cash Proceeds": in connection with any Asset Sale or any Recovery Event, the proceeds thereof in the form of cash and Cash Equivalents (including any such proceeds received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but only as and when received) of such Asset Sale or Recovery Event, net of attorneys' fees, accountants' fees, investment banking fees (including underwriting discounts and commissions and collection expenses), consulting fees, amounts required to be applied to the repayment of Indebtedness secured by a Lien expressly permitted hereunder on any asset which is the subject of such Asset Sale or Recovery Event (other than any Lien securing the Obligations) and other customary fees and expenses actually incurred in connection therewith and net of Taxes paid or reasonably estimated to be payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements) and, without duplication, net of the amount of any reserves established by the Borrower and its Subsidiaries to fund contingent liabilities reasonably estimated to be payable, that are directly attributable to such Asset Sale or Recovery Event (provided that any reversal of any such reserves will be deemed to be Net Cash Proceeds received at the time and in the amount of such reversal).

"Non-Excluded Taxes": as defined in Section 2.20(a).

"Non-Primed Liens": as defined in the Introductory Statement.

"Non-US Lender": as defined in Section 2.20(d).

"Obligations": the unpaid principal of and interest on (including, without limitation, interest accruing after the maturity of the Loans and Reimbursement Obligations) the Loans, the Reimbursement Obligations and all other obligations and liabilities of the Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, cash management arrangements with Lenders or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including, without limitation, all fees, charges and disbursements of counsel to the Administrative Agent or any Lender that are required to be paid by the Borrower pursuant hereto) or otherwise.

"Orders": the collective reference to the Interim Order and the Final Order.

"Other Taxes": any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Parent": as defined in the preamble hereto.

"Participant": as defined in Section 12.6(c).

"PBGC": the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

"Permitted Disbursements Variance": as defined in Section 7.1(b).

"Person": an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Petition Date": as defined in the Introductory Statement.

"Plan": at a particular time, any employee benefit plan as defined in Section 3(3) of ERISA and in respect of any Loan Party or any of its Subsidiaries is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Plan of Reorganization": a Plan of Reorganization proposed by the Debtors which is consistent with the Plan Support Agreement, or which is otherwise in form and substance reasonably satisfactory to the Required Lenders.

"Plan Support Agreement": the Plan Support Agreement, dated as of August 19, 2010, by and among the Debtors and certain of the holders of claims against the Debtors arising under the Prepetition First Lien Credit Agreement, as amended, supplemented or otherwise modified from time to time in accordance therewith.

"Prepetition Collateral": as defined in the Introductory Statement.

"Prepetition First Lien Agent": JPMorgan Chase Bank, N.A., in its capacity as administrative agent for the Prepetition First Lien Lenders.

"Prepetition First Lien Credit Agreement": the First Lien Credit Agreement, dated as of July 31, 2006, among the Borrower, the Prepetition First Lien Lenders, the Prepetition First Lien Agent and the other agents party thereto, as amended, supplemented or otherwise modified as of the Petition Date.

"Prepetition First Lien Lenders": the several banks and other financial institutions and entities from time to time parties to the Prepetition First Lien Credit Agreement.

"Prepetition First Lien Obligations": all of the Debtors' obligations incurred under, pursuant to or in connection with the Prepetition First Lien Credit Agreement and all of the collateral and ancillary documents executed and delivered in connection therewith.

"Prepetition First Lien Secured Parties": the Prepetition First Lien Agent, the Prepetition First Lien Lenders and any affiliate of a Prepetition First Lien Lender which holds Prepetition First Lien Obligations.

"Prepetition Intercreditor Agreement": the Intercreditor Agreement, dated as of July 31, 2006, among the Prepetition First Lien Agent, the Prepetition Second Lien Agent, the Borrower and each of the other parties thereto, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Prepetition Obligations": the collective reference to the Prepetition First Lien Obligations and the Prepetition Second Lien Obligations.

"Prepetition Second Lien Agent": Wilmington Trust, FSB, successor to Wachovia Bank, N.A., in its capacity as administrative agent for the Prepetition Second Lien Lenders.

"Prepetition Second Lien Credit Agreement": the Second Lien Credit Agreement, dated as of July 31, 2006, among the Borrower, the Prepetition Second Lien Lenders, the Prepetition Second Lien Agent and the other agents party thereto, as amended, supplemented or otherwise modified as of the Petition Date.

"Prepetition Second Lien Lenders": the several banks and other financial institutions and entities from time to time parties to the Prepetition Second Lien Credit Agreement.

"Prepetition Second Lien Obligations": all of the Debtors' obligations incurred under, pursuant to or in connection with the Prepetition Second Lien Credit Agreement and all of the collateral and ancillary documents executed and delivered in connection therewith.

"Prime Rate": as defined in the definition of "ABR".

"Prohibited Transaction": has the meaning assigned to such term in Section 406 of ERISA and Section 4975(f)(3) of the Code.

"Property": any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Qualified Capital Stock": any Capital Stock that is not Disqualified Capital Stock.

"Recovery Event": any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Loan Party, in an amount for each such event exceeding $50,000.

"Register": as defined in Section 12.6(b)(iv).

"Regulation U": Regulation U of the Board as in effect from time to time.

"Reimbursement Obligation": the obligation of the Borrower to reimburse an Issuing Lender pursuant to Section 3.5 for amounts drawn under Letters of Credit issued by such Issuing Lender.

"Reinvestment Deferred Amount": with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party for its own account in connection therewith that are not applied to prepay the Term Loans pursuant to Section 2.12 as a result of the delivery of a Reinvestment Notice.

"Reinvestment Event": any Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

"Reinvestment Notice": a written notice signed on behalf of the Borrower by a Responsible Officer stating that the Borrower (directly or indirectly through a Subsidiary) intends and expects to use all or a specified portion of the Net Cash Proceeds of a Recovery Event to replace or repair assets subject of such Recovery Event.

"Reinvestment Prepayment Amount": with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount actually expended prior to the relevant Reinvestment Prepayment Date to replace or repair assets subject of such Recovery Event.

"Reinvestment Prepayment Date": with respect to any Reinvestment Event, the earlier of (i) the date occurring 60 days after such Reinvestment Event and (ii) with respect to any portion of a Reinvestment Deferred Amount, the date on which the Borrower shall have determined not to replace or repair assets subject of such Reinvestment Event with such portion of such Reinvestment Deferred Amount.

"Release": any actual or threatened release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure or facility.

"Reorganization": with respect to any Multiemployer Plan, the condition that such plan is in reorganization within the meaning of Section 4241 of ERISA.

"Reportable Event": any of the events set forth in Section 4043(c) of ERISA, other than those events as to which the thirty day notice period is waived.

"Representatives": as defined in Section 12.14.

"Required Lenders": at any time, the holders of more than 50% of (a) until the Closing Date, the Commitments then in effect and (b) thereafter, the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and the aggregate amount of Term Commitments then in effect, if any, and (ii) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Requirement of Law": as to any Person, any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, 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": the chief executive officer, president, chief financial officer (or similar title) or treasurer (or similar title) of Holdings or the Borrower, and, with respect to financial matters, the chief financial officer (or similar title) or treasurer (or similar title) of Holdings or the Borrower.

"Restricted Payments": as defined in Section 7.6.

"Revolving Commitment": as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Letters of Credit in an aggregate principal and/or face amount not to exceed the amount set forth under the heading "Revolving Commitment" opposite such Lender's name on Schedule 1.1A or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The original amount of the Total Revolving Commitments is $6,500,000.

"Revolving Commitment Period": the period from and including the Closing Date to the Maturity Date.

"Revolving Extensions of Credit": as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding and (b) such Lender's Revolving Percentage of the L/C Obligations then outstanding.

"Revolving Facility": as defined in the definition of "Facility".

"Revolving Lender": each Lender that has a Revolving Commitment or that holds Revolving Loans.

"Revolving Loans": as defined in Section 2.4(a).

"Revolving Percentage": as to any Revolving Lender at any time, the percentage which such Lender's Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments shall have expired or terminated, the percentage which the aggregate principal amount of such Lender's Revolving Loans then outstanding constitutes of the aggregate principal amount of the Revolving Loans then outstanding, provided, that, in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Extensions of Credit, the Revolving Percentage shall be the percentage which (a) the sum of such Revolving Lender's interests in the aggregate L/C Obligations then outstanding then constitutes of (b) the sum of the aggregate L/C Obligations then outstanding.

"S&P": Standard & Poor's Financial Services LLC.

"SEC": the Securities and Exchange Commission (or successors thereto or an analogous Governmental Authority).

"Single Employer Plan": any Plan that is covered by Title IV of ERISA, but which is not a Multiemployer Plan.

"Subsidiary": as to any Person, a corporation, partnership, limited liability company or other entity (a) of which shares of stock or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the Board of Directors of such corporation, partnership or other entity are at the time owned by such Person or another subsidiary of such Person, or (b) the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person, and in the case of this clause (b), such entity is treated as a consolidated subsidiary of such Person for accounting purposes. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor": each direct and indirect, existing and future, Subsidiary of the Borrower.

"Supermajority Lenders": at any time, the holders of more than 66 2/3% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding and the aggregate amount of the Term Commitments then in effect, if any, and (ii) the Total Revolving Commitments then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding.

"Superpriority Claim": a claim against any Debtor in any of the Cases which is an administrative expense claim having superpriority over any and all administrative expenses of the kind specified in Sections 503(b) or 507(b) of the Bankruptcy Code, including a claim pursuant to Section 364(c)(1) of the Bankruptcy Code.

"Taxes": all present and future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term Commitment": as to any Lender, the obligation of such Lender, if any, to make Term Loans to the Borrower in a principal amount not to exceed the amount set forth under the heading "Term Commitment" opposite such Lender's name on Schedule 1.1A. The original aggregate amount of the Term Commitments is $33,500,000.

"Term Facility": as defined in the definition of "Facility".

"Term Lender": each Lender that has a Term Commitment or that holds a Term Loan.

"Term Loan Account": the account numbered [_____] and entitled ["Oriental Trading Company Term Loan Account"] maintained at the Administrative Agent, which account and all amounts deposited therein are subject to the exclusive dominion and control of the Administrative Agent.

"Term Loans": as defined in Section 2.1.

"Term Percentage": as to any Term Lender at any time on or prior to the Closing Date, the percentage which the sum of such Lender's Term Commitments then constitutes of the aggregate Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender's Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

"Termination Date": the earliest to occur of (a) the Maturity Date, (b) 40 days after entry of the Interim Order if the Final Order has not been entered prior thereto, (c) the consummation of (i) the

Plan of Reorganization and (d) the acceleration of the Loans and the termination of the Commitments in accordance with the terms hereof.

"Test Period": as defined in Section 7.1(b).

"Total Revolving Commitments": at any time, the aggregate amount of the Revolving Commitments then in effect.

"Total Revolving Extensions of Credit": at any time, the aggregate amount of the Revolving Extensions of Credit then outstanding.

"Transferee": any Assignee or Participant.

"Type": as to any Loan, its nature as an ABR Loan or Eurocurrency Loan.

"Unencumbered Property": as defined in the Introductory Statement.

"United States": the United States of America.

"US Lender": as defined in Section 2.20(e).

"Vehicles": all cars, trucks, trailers, construction and earth moving equipment and other vehicles covered by a certificate of title law of any state or province.

1.2 Other Definitional Provisions.

(a) Unless otherwise specified therein, all terms defined in this Agreement shall have the defined meanings when used in the other Loan Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Loan Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation", and (ii) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time.

(c) The words "hereof", "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Annex, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(d) The term "license" shall include sub-license.

(e) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

1.3 Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative

Agent notifies the 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 change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

SECTION 2. AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments; Deposit in Term Loan Account.

(a) Subject to the terms and conditions hereof, each Term Lender severally agrees to make term loans (each, a "Term Loan") in Dollars to the Borrower at any time on or after the Closing Date until the fifth Business Days after the entry of the Final Order. The Term Loans shall be made in no more than two drawings; provided that no Lender shall be required to make any Term Loan if, (i) the amount of such Term Loan would exceed the amount of the Term Commitment of such Lender then in effect or (ii) after giving effect thereto, the Term Loans of all Lenders would exceed the aggregate amount of Term Loans permitted to be borrowed under the Final Order. The Term Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13. Each Lender's Term Commitment shall be reduced by the amount of Term Loans made by such Lender.

(b) The proceeds of the Term Loans in excess of the amounts satisfying Section 5.2(d) shall be deposited into the Term Loan Account and shall be released to the Borrower upon satisfaction of the conditions set forth in Section 5.2. Amounts on deposit in the Term Loan Account on the Termination Date shall be applied on such date to reduce the outstanding amount of the Term Loans.

2.2 Procedure for Term Loan Borrowing; Release from Term Loan Account.

(a) The Borrower shall give the Administrative Agent irrevocable notice by delivery of a Borrowing Notice (which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans, or (b) on the requested Borrowing Date, in the case of ABR Loans), specifying (i) the amount and Type of Term Loans to be borrowed, and (ii) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. Upon receipt of such notice the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 12:00 Noon, New York City time, on the Closing Date each Term Lender shall make available to the Administrative Agent at the Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account designated in writing by the Borrower to the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds.

(b) With respect to any release from the Term Loan Account, the Borrower shall give the Administrative Agent notice by delivery of a Borrowing Notice which notice must be received by the Administrative Agent prior to 12:00 Noon, New York City time, specifying the amount of proceeds of the Term Loans to be released. The Administrative Agent shall credit the account designated in writing by the Borrower to the Administrative Agent with the amount of the proceeds requested by the Borrower to be released from the Term Loan Account in immediately available funds.

2.3 Repayment of Term Loans. The Term Loan of each Term Lender shall be repaid on the Termination Date.

2.4 Revolving Commitments. (a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans ("Revolving Loans") in Dollars to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to such Lender's Revolving Percentage of the L/C Obligations then outstanding, does not exceed the amount of such Lender's Revolving Commitment. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be Eurocurrency Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13.

(b) The Borrower shall repay all outstanding Revolving Loans made to it on the Termination Date.

2.5 Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day, provided that the Borrower shall give the Administrative Agent irrevocable notice by delivery of a Borrowing Notice (which notice must be received by the Administrative Agent prior to 1:00 P.M., New York City time, (a) three Business Days prior to the requested Borrowing Date, in the case of Eurocurrency Loans, or (b) on the requested Borrowing Date, in the case of ABR Loans), specifying (i) whether such borrowing is of the Revolving Commitments, (ii) the amount and Type of Revolving Loans to be borrowed, (iii) the requested Borrowing Date and (iv) in the case of Eurocurrency Loans, the respective amounts of each such Type of Loan and the respective lengths of the initial Interest Period therefor. No Revolving Loans shall be made on the Closing Date. Each borrowing by the Borrower under the Revolving Commitments shall be in an amount equal to (x) in the case of ABR Loans, $500,000 or a whole multiple of $100,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than $500,000, such lesser amount) and (y) in the case of Eurocurrency Loans, $1,000,000 or a whole multiple of $100,000 in excess thereof. Upon receipt of any such notice from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 2:00 P.M., New York City time, on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent; provided, that each Revolving Lender will make the amount of its pro rata share of each borrowing available to the Administrative Agent for the account of the Borrower at the Funding Office prior to 12:00 Noon, New York City time, in the case of any borrowing on the Closing Date, in funds immediately available to the Administrative Agent . Such borrowing will then be made available to the Borrower by the Administrative Agent crediting the account of the Borrower on the books of such office with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent.

2.6 [Reserved];

2.7 [Reserved];

2.8 Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of the appropriate Revolving Lender or Term Lender, as the case may be, (i) the then unpaid principal amount of each Revolving Loan of such Revolving Lender made to the Borrower outstanding on the Termination Date and (ii) the principal amount of each Term Loan of such Term Lender made to the Borrower outstanding on the Termination Date. The Borrower hereby further agrees to pay interest on the unpaid principal amount of the Loans made to the Borrower

from time to time outstanding from the date hereof until payment in full thereof at the rates per annum, and on the dates, set forth in Section 2.15.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing indebtedness of the Borrower to such Lender resulting from each Loan of such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement.

(c) The Administrative Agent, on behalf of the Borrower, shall maintain the Register pursuant to Section 12.6(b)(iv), and a subaccount therein for each Lender, in which shall be recorded (i) the amount of each Loan made hereunder and any Note evidencing such Loan, the Type of such Loan and each Interest Period applicable thereto, (ii) the amount of any principal, interest and fees, as applicable, due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) both the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(d) The entries made in the Register and the accounts of each Lender maintained pursuant to Section 2.8(b) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Administrative Agent or any Lender to maintain the Register or any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans made to the Borrower by such Lender in accordance with the terms of this Agreement.

2.9 Commitment Fees, etc. (a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender, a commitment fee for the period from and including the Closing Date to the Termination Date, computed at the Commitment Fee Rate on the average daily amount of the Available Revolving Commitment and Available Term Commitment of such Lender during the period for which payment is made, payable monthly in arrears on each Fee Payment Date, commencing on the first such date to occur after the date hereof.

(b) The Borrower agrees to pay, on the Closing Date, to the Administrative Agent for the account of each Lender party to the Credit Agreement on the Closing Date or which becomes a Lender hereunder within 10 days after the Closing Date, a fee equal to 2.0% of the Revolving Commitment and Term Commitment of such Lender, payable to the Lenders on the first Business Day after the tenth day after the Closing Date.

(c) The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in any fee agreements with the Administrative Agent, as applicable, in connection with this Agreement.

2.10 Termination or Reduction of Commitments. The Borrower shall have the right, upon not less than two Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or the Term Commitments or, from time to time, to reduce the amount of the Revolving Commitments or the Term Commitments; provided that (x) no such termination or reduction of such Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Total Revolving Commitments and (y) at any time while Term Commitments are in effect, all such reductions shall be made ratably between the Revolving Commitments and the Term Commitments. Any such reduction shall be in an amount equal to $1,000,000, or a whole multiple of $500,000 in excess

thereof, and shall reduce permanently the Revolving Commitments or the Term Commitments, as applicable, then in effect.

2.11 Optional Prepayments. The Borrower may at any time and from time to time prepay the Revolving Loans or the Term Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent (a) no later than 1:00 P.M., New York City time, three Business Days prior thereto, in the case of Eurocurrency Loans and (b) no later than 1:00 P.M., New York City time, one Business Day prior thereto, in the case of ABR Loans which notice shall specify (i) the date and amount of prepayment, (ii) whether the prepayment is of Revolving Loans or Term Loans and (iii) whether the prepayment is of Eurocurrency Loans or ABR Loans; provided, that if a Eurocurrency Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans) accrued interest to such date on the amount prepaid; provided that, notwithstanding anything herein to the contrary, the Borrower may rescind any such notice if such prepayment would have resulted from a refinancing of all of the Loans, which refinancing shall not be consummated or shall otherwise be delayed. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of (i) $1,000,000 or a whole multiple of $100,000 in excess thereof (in the case of prepayments of ABR Loans) or (ii) $1,000,000 or a whole multiple of $100,000 in excess thereof (in the case of prepayments of Eurocurrency Loans), and in each case shall be subject to the provisions of Section 2.18.

2.12 Mandatory Prepayments and Commitment Reductions. (a) Unless the Majority Revolving Facility Lenders and the Majority Term Facility Lenders otherwise agree, (i) if on any date the Borrower or any of its Subsidiaries shall for its own account receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered to the Administrative Agent in respect of any such Recovery Event, such Net Cash Proceeds shall be applied not later than two Business Days after such date toward the prepayment of the Term Loans, reduction of the Term Commitments, if any, and the reduction of the Revolving Commitments as set forth in Section 2.12(b); provided further that, notwithstanding the foregoing, on each Reinvestment Prepayment Date, the Term Loans shall be prepaid and the Revolving Commitments shall be reduced as set forth in Section 2.12(b) by an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event.

(b) Amounts to be applied in connection with prepayments and Commitment reductions made pursuant to Section 2.12 shall be applied, ratably, to reduce permanently the Term Commitments (or if no Term Commitments are in effect, to the prepayment of the Term Loans) in accordance with Section 2.18(a) and to reduce permanently the Revolving Commitments; provided that the Revolving Commitments shall not be reduced pursuant to paragraph (a) above to an amount below $5,000,000. Any such reduction of the Revolving Commitments shall be accompanied by prepayment of the Revolving Loans to the extent, if any, that the Total Revolving Extensions of Credit exceed the amount of the Total Revolving Commitments as so reduced, provided that if the aggregate principal amount of Revolving Loans then outstanding is less than the amount of such excess (because L/C Obligations constitute a portion thereof), the Borrower shall, to the extent of the balance of such excess, replace outstanding Letters of Credit and/or deposit an amount equal to 105% of the face mount of all outstanding Letters of Credit in cash in a cash collateral account established with the Administrative Agent for the benefit of the Lenders on terms and conditions satisfactory to the Administrative Agent. The application of any prepayment pursuant to Section 2.12 shall be made, first, to ABR Loans and, second, to Eurocurrency Loans. Each prepayment of the Loans under Section 2.12 (except in the case of Revolving Loans that are ABR Loans) shall be accompanied by accrued interest to the date of such

prepayment on the amount prepaid.Amounts to be applied in connection with prepayments pursuant to paragraph (a) above shall be applied to the prepayment of the Term Loans in accordance with Section 2.18(a).

(c) Unless the Majority Revolving Facility Lenders and the Majority Term Facility Lenders otherwise agree, if, as at the end of each Thursday (or if not a Business Day, the immediately preceding Business Day) when the aggregate amount of unrestricted cash and Cash Equivalents (the "Cash Balance") held by the Loan Parties exceeds the sum of $2,500,000, plus the aggregate amount of checks which have been written, but not yet cleared as of such Business Day (such sum, the "Cash Balance Limit"), the Borrower shall, on the next Business Day, apply all amounts in excess of the Cash Balance Limit as follows: first, to prepay the then outstanding balance of the Revolving Loans in accordance with Section 2.12(d) and, second, as a deposit to the Term Loan Account, provided, that the aggregate amount of funds on deposit in the Term Loan Account shall at no time exceed the aggregate principal amount of the Term Loans then outstanding.

(d) Amounts to be applied in connection with prepayments of Revolving Loans pursuant to paragraph (c) above shall be applied in accordance with Section 2.18(c). The application of any prepayment pursuant to Section 2.12(c) shall be made, first, to ABR Loans and, second, to Eurocurrency Loans. Each prepayment of the Loans in accordance with this Section 2.12(d) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid.

2.13 Conversion and Continuation Option. (a) The Borrower may elect from time to time to convert Eurocurrency Loans made to the Borrower to ABR Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 P.M., New York City time, on the Business Day preceding the proposed conversion date, provided, that if any Eurocurrency Loan is so converted on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower may elect from time to time to convert ABR Loans made to the Borrower to Eurocurrency Loans by giving the Administrative Agent prior irrevocable notice of such election no later than 1:00 P.M., New York City time, on the third Business Day preceding the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor), provided that no ABR Loan under a particular Facility may be converted into a Eurocurrency Loan when any Event of Default has occurred and is continuing and the Administrative Agent or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such conversions. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(b) Any Eurocurrency Loan may be continued as such by the Borrower giving irrevocable notice to the Administrative Agent, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1 and no later than 1:00 P.M., New York City time, on the third Business Day preceding the proposed continuation date, of the length of the next Interest Period to be applicable to such Loans, provided, that if any Eurocurrency Loan is so continued on any day other than the last day of the Interest Period applicable thereto, the Borrower shall also pay any amounts owing pursuant to Section 2.21, and provided, further, that no Eurocurrency Loan under a particular Facility may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Majority Facility Lenders in respect of such Facility have determined in its or their sole discretion not to permit such continuations and such Loans shall automatically be converted to ABR Loans on the last day of such then expiring Interest Period, and provided, further, that if the Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

2.14 Minimum Amounts and Maximum Number of Eurocurrency Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations and optional prepayments of Eurocurrency Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that (a) after giving effect thereto, the aggregate principal amount of the Eurocurrency Loans comprising each Eurocurrency Tranche shall be equal to a minimum of $1,000,000 or a whole multiple of $100,000 in excess thereof, and (b) no more than five Eurocurrency Tranches shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates. (a) Each Eurocurrency Loan shall bear interest for each day during each Interest Period with respect thereto at a rate per annum equal to the Eurocurrency Rate determined for such day plus the Applicable Margin.

(b) Each ABR Loan shall bear interest at a rate per annum equal to the ABR plus the Applicable Margin.

(c) Upon the occurrence and during the continuance of an Event of Default, the Borrower shall pay interest on all outstanding Obligations at a rate per annum equal to (w) in the case of the Loans, the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section plus 2%, (x) in the case of Reimbursement Obligations, the rate applicable to ABR Loans under the Revolving Facility plus 2%, (y) in the case of overdue interest, the rate that would be otherwise applicable to principal of the related Loan or Reimbursement Obligation pursuant to the foregoing clauses (a) and (b) of this Section 2.15 plus 2% and (z) in the case of any commitment fee or other amount payable hereunder that has not been paid when due, at the rate then applicable to ABR Loans, as applicable, under the relevant Facility plus 2% (or, in the case of any such other amounts that do not relate to a particular Facility, the rate then applicable to ABR Loans under the Revolving Facility plus 2%).

(d) Interest shall be payable by the Borrower in arrears on each Interest Payment Date, provided that interest accruing pursuant to paragraph (c) of this Section shall be payable from time to time on demand.

2.16 Computation of Interest and Fees. (a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed and commitment fees shall be calculated on the basis of a 365- day year for the actual days elapsed. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of each determination of a Eurocurrency Rate. Any change in the interest rate on a Loan resulting from a change in the ABR or the Eurocurrency Reserve Requirements shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be presumptively correct in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.15(a).

2.17 Inability to Determine Interest Rate. If prior to the first day of any Interest Period:

(a) the Administrative Agent shall have determined (which determination shall be presumptively correct absent manifest error) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Interest Period, or

(b) the Administrative Agent shall have received notice from the Required Lenders that by reason of any changes arising after the date of this Agreement the Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as certified by such Lenders) of making or maintaining their affected Loans during such Interest Period,

the Administrative Agent shall give telecopy or telephonic notice thereof to the Borrower and the relevant Lenders as soon as practicable thereafter. If such notice is given (x) any Eurocurrency Loans under the relevant Facility requested to be made on the first day of such Interest Period shall be made as ABR Loans, (y) any Loans under the relevant Facility that were to have been converted on the first day of such Interest Period to Eurocurrency Loans shall be continued as ABR Loans, and (z) any outstanding Eurocurrency Loans under the relevant Facility shall be converted, on the last day of the then-current Interest Period with respect thereto, to ABR Loans. Until such notice has been withdrawn by the Administrative Agent (which action the Administrative Agent will take promptly after the conditions giving rise to such notice no longer exist), no further Eurocurrency Loans under the relevant Facility shall be made or continued as such, nor shall the Borrower have the right to convert Loans under the relevant Facility to Eurocurrency Loans.

2.18 Pro Rata Treatment and Payments. (a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Revolving Commitments or the Term Commitments of the Lenders shall be made pro rata according to the respective Term Percentages or Revolving Percentages, as the case may be, of the relevant Lenders. Each payment (other than prepayments) in respect of principal or interest in respect of the Term Loans and each payment in respect of fees payable hereunder shall be applied to the amounts of such obligations owing to the Term Lenders pro rata according to the respective amounts then due and owing to such Lenders.

(b) Amounts repaid or prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made pro rata according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders. Each payment in respect of Reimbursement Obligations in respect of any Letter of Credit shall be made to the Issuing Lender that issued such Letter of Credit

(d) All payments (including prepayments) to be made by the Borrower hereunder, whether on account of principal, interest, fees or otherwise, shall be made without setoff or counterclaim and shall be made prior to 2:00 P.M., New York City time, on the due date thereof to the Administrative Agent, for the account of the relevant Lenders, at the Funding Office, in immediately available funds. The Administrative Agent shall distribute such payments to the relevant Lenders promptly upon receipt in like funds as received. If any payment hereunder (other than payments on the Eurocurrency Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the

next succeeding Business Day. If any payment on a Eurocurrency Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any extension of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to a borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender is making such amount available to the Administrative Agent, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender shall pay to the Administrative Agent, on demand, such amount with interest thereon, at a rate equal to the greater of (i) the Federal Funds Effective Rate and (ii) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, for the period until such Lender makes such amount immediately available to the Administrative Agent. A certificate of the Administrative Agent submitted to any Lender with respect to any amounts owing under this paragraph shall be presumptively correct in the absence of manifest error. If such Lender's share of such borrowing is not made available to the Administrative Agent by such Lender within three Business Days after such Borrowing Date, the Administrative Agent shall give notice of such fact to the Borrower and the Administrative Agent shall also be entitled to recover such amount with interest thereon at the rate per annum applicable to ABR Loans under the relevant Facility, on demand, from the Borrower. Nothing herein shall be deemed to limit the rights of the Administrative Agent or the Borrower against any defaulting Lender.

(f) Unless the Administrative Agent shall have been notified in writing by the Borrower prior to the date of any payment due to be made by the Borrower hereunder that the Borrower will not make such payment to the Administrative Agent, the Administrative Agent may assume that the Borrower is making such payment, and such agent may, but shall not be required to, in reliance upon such assumption, make available to the relevant Lenders their respective pro rata shares of a corresponding amount. If such payment is not made to the Administrative Agent by the Borrower within three Business Days after such due date, the Administrative Agent shall be entitled to recover, on demand, from each relevant Lender to which any amount which was made available pursuant to the preceding sentence, such amount with interest thereon at the rate per annum equal to the daily average Federal Funds Effective Rate. Nothing herein shall be deemed to limit the rights of the Administrative Agent or any Lender against the Borrower.

(g) Each obligation of the Loan Parties under the Loan Documents shall be paid in Dollars.

2.19 Requirements of Law. (a) If the adoption of or any change in any Requirement of Law or in the interpretation or application thereof or compliance by any Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority first made, in each case, subsequent to the date hereof:

(i) shall subject any Lender to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any Application or any Eurocurrency Loan made by it, or change the basis of taxation of payments to such Lender in respect thereof (except for Non-Excluded Taxes and changes in the rate of tax on the overall net income of such Lender);

(ii) shall impose, modify or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, deposits or other liabilities in or for the account of, advances, loans or other extensions of credit by, or any other acquisition of funds by, any office of such Lender that is not otherwise included in the determination of the Eurocurrency Rate hereunder; or

(iii) shall impose on such Lender any other condition not otherwise contemplated hereunder;

and the result of any of the foregoing is to increase the cost to such Lender, by an amount which such Lender reasonably deems to be material, of making, converting into, continuing or maintaining Eurocurrency Loans, issuing or participating in Letters of Credit, or to reduce any amount receivable hereunder in respect thereof, then, in any such case, the Borrower, as the case may be, shall promptly pay such Lender, within ten Business Days after the Borrower's receipt of a reasonably detailed invoice therefor (showing with reasonable detail the calculations thereof), any additional amounts necessary to compensate such Lender for such increased cost or reduced amount receivable. If any Lender becomes entitled to claim any additional amounts pursuant to this Section, it shall promptly notify the Borrower (with a copy to the Administrative Agent) of the event by reason of which it has become so entitled.

(b) If any Lender shall have determined that the adoption of or any change in any Requirement of Law regarding capital adequacy or in the interpretation or application thereof or compliance by such Lender or any corporation controlling such Lender with any request or directive regarding capital adequacy (whether or not having the force of law) from any Governmental Authority first made, in each case, subsequent to the date hereof shall have the effect of reducing the rate of return on such Lender's or such corporation's capital as a consequence of its obligations hereunder or under or in respect of any Letter of Credit to a level below that which such Lender or such corporation could have achieved but for such adoption, change or compliance (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time, after submission by such Lender to the Borrower (with a copy to the Administrative Agent) of a reasonably detailed written request therefor (consistent with the detail provided by such Lender to similarly situated borrowers), the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such corporation for such reduction.

(c) A certificate as to any additional amounts payable pursuant to this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be presumptively correct in the absence of manifest error. Notwithstanding anything to the contrary in this Section, the Borrower shall not be required to compensate a Lender pursuant to this Section for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of such Lender's intention to claim compensation therefor; provided that, if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower pursuant to this Section shall survive the termination of this Agreement and the payment of the Obligations.

2.20 Taxes. (a) Except as otherwise required by law or provided in this Agreement, all payments made by or on behalf of any Loan Party to the Administrative Agent or any Lender under this Agreement or any other Loan Document shall be made free and clear of, and without deduction or withholding for or on account of, any Taxes, excluding (i) net income Taxes, net profits, net worth or capital Taxes and franchise Taxes (imposed in lieu of net income Taxes) imposed (A) by the jurisdiction (or any political subdivision thereof) under the laws of which the Administrative Agent or any Lender (or, in the case of a pass-through entity, any of its beneficial owners) is organized or (B) as a result of a present or former connection between the Administrative Agent, such Lender or such

beneficial owner and the jurisdiction of the Governmental Authority imposing such Tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent or such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) and (ii) any branch profits Taxes imposed by the United States or any similar Tax imposed by any jurisdiction described in clause (i) herein (any non-excluded taxes, "Non-Excluded Taxes"); provided that if any such Non-Excluded Taxes imposed on any payment by any Loan Party (including, for the avoidance of doubt, any payment by the Administrative Agent on behalf of any Loan Party) in connection with any Obligation hereunder or under any other Loan Document or Other Taxes are required to be withheld from any amounts payable by any Loan Party to the Administrative Agent or to any Lender hereunder, the amounts so payable to the Administrative Agent or such Lender shall be increased by the applicable Loan Party to the extent necessary to yield to the Administrative Agent or such Lender (after deduction or withholding of all Non-Excluded Taxes and Other Taxes including deductions and withholdings applicable to additional sums payable under this Section 2.20) interest or any such other amounts equal to the sum it would have received had no such deductions or withholdings for Non-Excluded Taxes or Other Taxes been made, provided, however, that no Loan Party shall be required to increase any such amounts payable to any Lender with respect to any Taxes to the extent such Taxes (i) are attributable to such Lender's (or, in the case of a pass-through entity, any of its beneficial owners') failure to comply with the requirements of paragraph (d) or (e), as applicable, of this Section, or (ii) are withholding Taxes imposed by the United States or any jurisdiction with which such Lender has a present or former connection (other than any such connection arising solely from such Lender having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) or any political subdivision or taxing authority thereof or therein on amounts payable under this Agreement or any other Loan Document unless such Taxes are imposed as a result of a change in the applicable statute, regulation or treaty (or a published official interpretation thereof that is not an advice addressed to a specific taxpayer (and which can only be relied upon by such taxpayer) or an internal government advice. For the avoidance of doubt, a private letter ruling, general counsel memorandum or advice, field service or chief counsel advice, technical advice memorandum or action on a decision is not a published official interpretation.) occurring after such Lender becomes a party hereto, except to the extent that such Lender's assignor (if any) was entitled, at the time of assignment, to receive additional amounts from the Borrower with respect to such Taxes pursuant to this paragraph.

(b) In addition, the Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Whenever any Non-Excluded Taxes or Other Taxes are payable by a Loan Party, as promptly as possible thereafter the Borrower shall send to the Administrative Agent for the account of the Administrative Agent or Lender, as the case may be, a certified copy of an original official receipt received by the Borrower showing payment thereof if such receipt is obtainable, or, if not, such other evidence of payment as may reasonably be required by the Administrative Agent or such Lender. If (i) the Borrower fails to pay any Non-Excluded Taxes or Other Taxes that the Borrower is required to pay pursuant to this Section 2.20 (or in respect of which the Borrower would be required to pay increased amounts pursuant to Section 2.20(a) if such Non-Excluded Taxes or Other Taxes were withheld) when due to the appropriate taxing authority, (ii) the Borrower fails to remit to the Administrative Agent the required receipts or other required documentary evidence, or (iii) any Non-Excluded Taxes or Other Taxes required to be paid by a Loan Party pursuant to Section 2.20(a) are directly imposed against the Administrative Agent or any Lender, the Loan Parties shall indemnify the Administrative Agent and the Lenders for any payments by them of such Non-Excluded Taxes or Other Taxes and for any incremental taxes, interest or penalties that become payable by the Administrative Agent or any Lender as a result of any such failure (or in the case of (iii) such direct imposition).

(d) Each Lender (and, in the case of a pass-through entity, each of its beneficial owners) that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "Non-US Lender") shall deliver to the Borrower and the Administrative Agent (or, in the case of a Participant, to the Lender from which the related participation shall have been purchased) (i) two accurate and complete copies of the appropriate IRS Form W-8, or, (ii) in the case of a Non-US Lender claiming exemption from United States federal withholding Tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a statement substantially in the form of Exhibit E and two accurate and complete copies of the appropriate IRS Form W-8, or any subsequent versions or successors to such forms, in each case properly completed and duly executed by such Non-US Lender claiming complete exemption from, or a reduced rate of, United States federal withholding Tax on all payments by the Borrower or any Loan Party under this Agreement and the other Loan Documents. Such forms shall be delivered by each Non-US Lender on or before the date it becomes a party to this Agreement (or, in the case of any Participant, on or before the date such Participant purchases the related participation). In addition, each Non-US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-US Lender. Each Non-US Lender shall (i) promptly notify the Administrative Agent and the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Administrative Agent and the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose) and (ii) take such steps as shall not be disadvantageous to it, in its reasonable judgment, and as may be reasonably necessary (including the re-designation of its lending office pursuant to Section 2.23) to avoid any requirement of applicable laws of any such jurisdiction that the Administrative Agent or the Borrower make any deduction or withholding for Taxes from amounts payable to such Lender. Notwithstanding the foregoing, nothing contained in this paragraph shall require a Lender to deliver any form such Lender is not legally entitled to deliver.

(e) Each Lender (and, in the case of a non-United States pass-through entity, each of its beneficial owners) that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) (a "US Lender") shall deliver to the Borrower and the Administrative Agent two accurate and complete copies of IRS Form W-9, or any subsequent versions or successors to such form. Such forms shall be delivered by each US Lender on or before the date it becomes a party to this Agreement. In addition, each US Lender shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such US Lender. Each US Lender shall promptly notify the Administrative Agent and the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certifications to the Administrative Agent and the Borrower (or any other form of certification adopted by the United States taxing authorities for such purpose. Notwithstanding the foregoing, nothing contained in this paragraph shall require a Lender to deliver any form such Lender is not legally entitled to deliver.

(f) Each Lender shall severally indemnify the Administrative Agent for the full amount of any Non-Excluded Taxes and Other Taxes (including any interest, penalties, additions to tax and liabilities with respect thereto) attributable to such Lender, as applicable, that are paid or payable by the Administrative Agent in connection with any Loan Document and any reasonable expenses arising therefrom or with respect thereto, whether or not such Non-Excluded Taxes and Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that no Lender shall be liable for the payment of any portion of such interest, penalties or additions to tax that are the result of the Administrative Agent's gross negligence or willful misconduct. Any such amounts shall be paid within 10 days after the Administrative Agent delivers to the applicable Lender a certificate specifying in reasonable detail the nature and the amount of Non-Excluded Taxes and Other Taxes so paid or payable by the Administrative Agent. Such certificate shall be conclusive of the amount so paid or payable absent manifest error.

(g) If the Administrative Agent or any Lender determines, in its good faith discretion, that it has received a refund of any Non-Excluded Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.20, it shall promptly pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.20 with respect to the Non-Excluded Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority other than penalties, interest or charges arising from the gross negligence or willful misconduct of the Administrative Agent or such Lender) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This paragraph shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to the Borrower or any other Person.

(h) The agreements in this Section shall survive the termination of this Agreement and the payment of the Obligations.

2.21 Indemnity. Other than with respect to Taxes, which shall be governed solely by Section 2.20 and Section 2.19, the Borrower agrees to indemnify each Lender for, and to hold each Lender harmless from, any loss or expense (other than lost profits, including the loss of Applicable Margin) that such Lender may actually sustain or incur as a consequence of (a) default by the Borrower in making a borrowing of, conversion into or continuation of Eurocurrency Loans after the Borrower has given a notice requesting the same in accordance with the provisions of this Agreement, (b) default by the Borrower in making any prepayment of or conversion from Eurocurrency Loans after the Borrower has given a notice thereof in accordance with the provisions of this Agreement or (c) the making of a prepayment, conversion or continuation of Eurocurrency Loans on a day that is not the last day of an Interest Period with respect thereto. A reasonably detailed certificate as to (showing in reasonable detail the calculation of) any amounts payable pursuant to this Section submitted to the Borrower by any Lender shall be presumptively correct in the absence of manifest error. This covenant shall survive the termination of this Agreement and the payment of the Obligations.

2.22 Illegality. Notwithstanding any other provision herein, if the adoption of or any change in any Requirement of Law or in the interpretation or application thereof, in each case, first made after the date hereof, shall make it unlawful for any Lender to make or maintain Eurocurrency Loans as contemplated by this Agreement, such Lender shall promptly give notice thereof to the Administrative Agent and the Borrower, and (a) the commitment of such Lender hereunder to make Eurocurrency Loans, continue Eurocurrency Loans as such and convert ABR Loans to Eurocurrency Loans shall be suspended during the period of such illegality and (b) such Lender's Loans then outstanding as Eurocurrency Loans, if any, shall be converted automatically to ABR Loans on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law. If any such conversion of a Eurocurrency Loan occurs on a day which is not the last day of the then current Interest Period with respect thereto, the Borrower shall pay to such Lender such amounts, if any, as may be required pursuant to Section 2.21.

2.23 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19, 2.20(a) or 2.22 with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate another lending office for any Loans affected by such event with the object of

avoiding the consequences of such event; provided, that such designation is made on terms that, in the good faith judgment of such Lender, cause such Lender and its lending office(s) to suffer no material economic, legal or regulatory disadvantage, and provided, further, that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19, 2.20(a) or 2.22.

2.24 Priority and Liens. (a) The Loan Parties hereby covenant, represent and warrant that, upon entry of the Interim Order (and the Final Order, as applicable), the Obligations of the Loan Parties hereunder and under the other Loan Documents, (i) pursuant to Section 364(c)(1) of the Bankruptcy Code, shall at all times constitute allowed Superpriority Claims, (ii) pursuant to section 364(c)(2) of the Bankruptcy Code, shall be secured by a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, the Unencumbered Property; provided, that the Unencumbered Property shall not include the Avoidance Actions, but subject to entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions, (iii) pursuant to section 364(c)(3) of the Bankruptcy Code, shall be secured by a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in clause (iv) below, as to which the Liens granted to the Administrative Agent for the benefit of the Lenders will have the priority as described in such clause), whether now existing or hereafter acquired, that is subject to the Non-Primed Liens, which security interests and liens granted to the Administrative Agent for the benefit of the Lenders shall be junior to the Non-Primed Liens, and (iv) pursuant to section 364(d)(1) of the Bankruptcy Code, shall be secured by a valid, binding, continuing, enforceable, fully-perfected first priority, senior priming lien on, and security interest in, the Prepetition Collateral senior in all respects to the security interests in, and liens on, the Prepetition Collateral of (x) the Prepetition First Lien Secured Parties (including any Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations owed to the Prepetition First Lien Secured Parties) and (y) the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders (including any Liens granted after the Petition Date to provide adequate protection in respect of the Prepetition Obligations owed to the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders), but junior to any Non-Primed Liens on the Prepetition Collateral, subject and subordinate in each case with respect to subclauses (i) through (iv) above, only to the Carve-Out, provided that following the Termination Date after giving effect to Section 11.3, amounts in any Letter of Credit Cash Collateral account shall not be subject to the Carve-Out. For purposes hereof, the "Carve-Out" shall mean (A) any fees payable to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to section 1930(a) of title 28 of the United States Code and (B) up to $1,000,000 of allowed fees, expenses and disbursements of professionals retained by order of the Bankruptcy Court, incurred after the occurrence of a Carve-Out Event (as defined below), plus all unpaid professional fees, expenses and disbursements allowed by the Bankruptcy Court that were incurred prior to the occurrence of a Carve-Out Event (regardless of when such fees, expenses and disbursements become allowed by order of the Bankruptcy Court). For the purposes hereof, a "Carve-Out Event" shall occur upon the occurrence and during the continuance of an Event of Default or a material breach by the Debtors of the Orders and, in each case, upon delivery of a written notice thereof by the Administrative Agent or the Required Lenders to the Debtors (a "Carve-Out Notice"). So long as no Carve-Out Event shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees, expenses and disbursements of professionals retained by order of the Bankruptcy Court allowed by the Bankruptcy Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code (which allowed fees, expenses and disbursements shall be paid in accordance with, and subject to, the Budget as the aggregate amount of such Budget may be increased by the Permitted Disbursements Variance), and the Carve-Out shall not be reduced by the application of any prepetition retainers by any such professionals. Upon the delivery of a Carve-Out Notice, the right of the Debtors to pay professional fees incurred under clause (B) above without reduction of the Carve-Out in clause (B) above shall terminate and upon receipt of such notice, the Debtors shall provide immediate notice by

facsimile and email to all retained professionals informing them that a Carve-Out Event has occurred and that the Debtors' ability to pay professionals is subject to the Carve-Out; provided that the Carve-Out shall not be available to pay any professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the Administrative Agent, the Lenders, the Prepetition First Lien Lenders, the Prepetition First Lien Agent, the Prepetition Second Lien Lenders or the Prepetition Second Lien Agent.

(b) As to all Collateral, including without limitation, all cash, Cash Equivalents and real property the title to which is held by any Loan Party, or the possession of which is held by any Loan Party in the form of a leasehold interest, each Loan Party hereby assigns and conveys as security, grants a security interest in, hypothecates, mortgages, pledges and sets over unto the Administrative Agent all of the right, title and interest of the Borrower and such Guarantor in all of such Collateral, including without limitation, all cash, Cash Equivalents and owned real property and in all such leasehold interests, together in each case with all of the right, title and interest of the Borrower and such Guarantor in and to all buildings, improvements, and fixtures related thereto, any lease or sublease thereof, all general intangibles relating thereto and all proceeds thereof. The Borrower and each Guarantor acknowledges that, pursuant to the Orders, the Liens granted in favor of the Administrative Agent (on behalf of the Lenders) in all of the Collateral shall be perfected without the recordation of any Uniform Commercial Code financing statements, notices of Lien or other instruments of mortgage or assignment. The Borrower and each Guarantor further agrees that (a) the Administrative Agent shall have the rights and remedies set forth in Section 11 in respect of the Collateral subject to Section 8 and (b) if reasonably requested by the Administrative Agent, the Borrower and each of the Guarantors shall enter into separate security agreements, pledge agreements, control agreements and fee and leasehold mortgages with respect to such Collateral on terms reasonably satisfactory to the Administrative Agent.

(c) Each Loan Party acknowledges and agrees that the Prepetition First Lien Secured Parties shall receive, subject to the Orders, (a) as adequate protection for, and to the extent of, any diminution in the value of the Prepetition First Lien Secured Parties' respective interests in their collateral whether resulting from the imposition of the automatic stay pursuant to Section 362 of the Bankruptcy Code, the priming described in Section 2.24(a) above, the use of the Prepetition First Lien Secured Parties' cash collateral or the use, sale, lease, depreciation, decline in market price or other diminution in value of the Prepetition First Lien Secured Parties' collateral (i) a Superpriority Claim junior only to the Carve-Out and the Superpriority Claim granted to the Administrative Agent and the Lenders; and (ii) a replacement Lien on the Collateral having a priority immediately junior to the priming and other Liens granted in favor of the Administrative Agent and the Lenders hereunder and under the other Loan Documents and the Orders (subject and subordinate to the Carve-Out and valid and perfected Liens which are senior (after giving effect to the Orders) to the Liens granted to the Administrative Agent and the Lenders pursuant to the Orders) and (b) as further adequate protection, (i) monthly payment of an amount equal to interest accrued at the non-default LIBOR rate under the Prepetition First Lien Credit Agreement to the extent provided in the Orders (ii) regularly scheduled payments under any obligations under Hedge Agreements, (iii) payment of accrued and unpaid Letter of Credit fees to the Closing Date and (iv) the payment on a current basis of the reasonable fees and expenses (including, but not limited to, the reasonable fees and disbursements of counsel and third-party consultants) incurred by the Prepetition First Lien Agent, including without limitation, for its counsel and financial advisors, and the reasonable expenses of members of the Steering Committee of Prepetition First Lien Lenders.

2.25 Payment of Obligations. Upon the maturity (whether by acceleration or otherwise) of any of the Obligations under this Agreement or any of the other Loan Documents, the Lenders shall be entitled to immediate payment of such Obligations without further application to or order of the Bankruptcy Court, but subject to the terms of this Agreement and the Orders.

2.26 No Discharge Survival of Claims. The Borrower and each Guarantor agrees that to the extent its Obligations hereunder are not satisfied in full, (a) its Obligations arising hereunder shall not be discharged by the entry of a confirmation order (including without limitation, the Confirmation Order) entered in the Cases (and each Loan Party, pursuant to Section 1141(d)(4) of the Bankruptcy Code, hereby waives any such discharge) and (b) the Superpriority Claim granted to the Administrative Agent and the Lenders pursuant to the Orders and described in Section 2.24 and the Liens granted to the Administrative Agent pursuant to the Orders and described in Section 2.24 shall not be affected in any manner by the entry of a confirmation order (including without limitation, the Confirmation Order) in the Cases.

2.27 Replacement of Lenders. The Borrower shall be permitted, at its sole cost and expense, to replace with a financial institution any Lender that has refused to consent to any waiver or amendment with respect to any Loan Document that requires such Lender's consent and has been consented to by the Required Lenders, provided, that (i) such replacement does not conflict with any Requirement of Law, (ii) no Event of Default shall have occurred and be continuing at the time of such replacement, (iii) the replacement financial institution shall purchase, at par, all Loans and other amounts owing to such replaced Lender (or, in the case of any amendment, waiver or consent that requires the consent of Lenders of a particular class or type of Loans, payment equal to the aggregate amount of outstanding Loans of such class or type owed to such replaced Lender (together with all other amounts owed to such replaced Lender as a holder of such class or type of Loans)) on or prior to the date of replacement, (iv) the Borrower shall be liable to such replaced Lender under Section 2.21 (as though Section 2.21 were applicable) if any Eurocurrency Loan owing to such replaced Lender shall be purchased other than on the last day of the Interest Period relating thereto, (v) the replacement financial institution, if not already a Lender, shall be reasonably satisfactory to the Administrative Agent to the extent that an assignment to such replacement financial institution of the rights and obligations being acquired by it would otherwise require the consent of the Administrative Agent pursuant to Section 10.6(c), (vi) the replaced Lender shall be obligated to make such replacement in accordance with the provisions of Section 10.6 (except that the Borrower or the replacement Lender must pay any applicable processing or recordation fee required pursuant thereto), (vii) the replacement financial institution shall consent to such amendment or waiver, if applicable, and (viii) any such replacement shall not be deemed to be a waiver of any rights that the Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

SECTION 3. LETTERS OF CREDIT

3.1 L/C Commitment. (a) Subject to the terms and conditions hereof, each Issuing Lender, in reliance on the agreements of the other Revolving Lenders set forth in Section 3.4(a), agrees to issue letters of credit ("Letters of Credit") for the account of the Borrower or any Subsidiary Guarantor on any Business Day during the Revolving Commitment Period in such form as may be approved from time to time by such Issuing Lender; provided that no Issuing Lender shall have any obligation to issue any Letter of Credit if, after giving effect to such issuance, (i) the L/C Obligations would exceed the L/C Commitment or (ii) the aggregate amount of the Available Revolving Commitments would be less than zero. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the date that is five Business Days prior to the Maturity Date, unless such Issuing Lender shall have otherwise agreed in its sole discretion and upon such terms and conditions satisfactory to such Issuing Lender. The Borrower's reimbursement obligations in respect of each Existing Letter of Credit, and each L/C Participant's participation obligations in connection therewith, shall be governed by the terms of this Agreement.

(b) No Issuing Lender shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause such Issuing Lender to exceed any limits imposed by, any applicable Requirement of Law.

3.2 Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the relevant Issuing Lender issue a Letter of Credit (or amend, renew or extend an outstanding Letter of Credit) by delivering to such Issuing Lender at its address for notices specified to the Borrower by such Issuing Lender an Application therefor, completed to the reasonable satisfaction of such Issuing Lender, and such other certificates, documents and other papers and information as such Issuing Lender may reasonably request. Upon receipt of any Application, the relevant Issuing Lender will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue (or amend, renew or extend, as the case may be) the Letter of Credit requested thereby (but in no event shall any Issuing Lender be required to issue (or amend, renew or extend, as the case may be) any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit (or such amendment, renewal or extension, as the case may be) to the beneficiary thereof or as otherwise may be agreed to by such Issuing Lender and the Borrower. Such Issuing Lender shall furnish a copy of such Letter of Credit (or such amendment, renewal or extension, as the case may be) to the Borrower promptly following the issuance thereof. Each Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the relevant Lenders, notice of the issuance (or amendment, renewal or extension, as the case may be) of each Letter of Credit issued by it (including the amount thereof).

3.3 Fees and Other Charges. (i) The Borrower will pay to the Administrative Agent, for the account of the L/C Participants, a fee on each outstanding Letter of Credit requested by it, at a per annum rate equal to the Applicable Margin then in effect with respect to Eurocurrency Loans under the Revolving Facility (minus the fronting fee referred to below), on the aggregate amount available to be drawn under such Letter of Credit, which fee shall be shared ratably among the Revolving Lenders and payable monthly in arrears on each Fee Payment Date after the issuance date. In addition, the Borrower shall pay to the Administrative Agent, for the account of each Issuing Lender, a fronting fee on the aggregate amount available to be drawn under all outstanding Letters of Credit issued by such Issuing Lender to the Borrower of 0.125% per annum, payable monthly in arrears on each Fee Payment Date after the issuance date.

(a) In addition to the foregoing fees, the Borrower shall pay or reimburse each Issuing Lender for such normal and customary costs and expenses as are incurred or charged by such Issuing Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit requested by the Borrower.

3.4 L/C Participations. (a) Each Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Participant, and, to induce such Issuing Lender to issue Letters of Credit hereunder, each L/C Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from such Issuing Lender, on the terms and conditions set forth below, for such L/C Participant's own account and risk an undivided interest equal to such L/C Participant's Revolving Percentage in such Issuing Lender's obligations and rights under and in respect of each Letter of Credit issued by it and the amount of each draft paid by such Issuing Lender thereunder. Each L/C Participant agrees with each Issuing Lender that, if a draft is paid under any Letter of Credit issued by it for which such Issuing Lender is not reimbursed in full by the Borrower in accordance with the terms of Section 3.5, such L/C Participant shall pay to such Issuing Lender upon demand at such Issuing Lender's address for notices specified herein an amount equal to such L/C Participant's Revolving Percentage of the amount of

such draft, or any part thereof, that is not so reimbursed. Each L/C Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Participant may have against any Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the financial condition of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Participant or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing

(b) If any amount required to be paid by any L/C Participant to any Issuing Lender pursuant to Section 3.4(a) in respect of any unreimbursed portion of any payment made by such Issuing Lender under any Letter of Credit is paid to such Issuing Lender within three Business Days after the date such payment is due, such L/C Participant shall pay to such Issuing Lender on demand an amount equal to the product of (i) such amount, times (ii) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to such Issuing Lender, times (iii) a fraction the numerator of which is the number of days that elapse during such period and the denominator of which is 360. If any such amount required to be paid by any L/C Participant pursuant to Section 3.4(a) is not made available to the relevant Issuing Lender by such L/C Participant within three Business Days after the date such payment is due, such Issuing Lender shall be entitled to recover from such L/C Participant, on demand, such amount with interest thereon calculated from such due date at the rate per annum applicable to ABR Loans under the Revolving Facility. A certificate of the relevant Issuing Lender submitted to any relevant L/C Participant with respect to any amounts owing under this Section shall be presumptively correct in the absence of manifest error.

(c) Whenever, at any time after any Issuing Lender has made payment under any Letter of Credit and has received from any L/C Participant its pro rata share of such payment in accordance with Section 3.4(a) such Issuing Lender receives any payment related to such Letter of Credit (whether directly from the Borrower in respect of such Letter of Credit or otherwise, including proceeds of collateral applied thereto by such Issuing Lender), or any payment of interest on account thereof, such Issuing Lender will distribute to such L/C Participant its pro rata share thereof; provided, however, that in the event that any such payment received by such Issuing Lender shall be required to be returned by such Issuing Lender, such L/C Participant shall return to such Issuing Lender the portion thereof previously distributed by such Issuing Lender to it.

3.5 Reimbursement Obligation of the Borrower. The Borrower agrees to reimburse each Issuing Lender on the Business Day following the date on which such Issuing Lender notifies the Borrower of the date and amount of a draft presented under any Letter of Credit issued by such Issuing Lender at the Borrower's request and paid by such Issuing Lender for the amount of (a) such draft so paid and (b) any Non-Excluded Taxes and Other Taxes, fees, charges or other costs or expenses reasonably incurred by such Issuing Lender in connection with such payment; provided, however, if the Borrower does not reimburse the Issuing Lender in accordance with this Section 3.5, the Administrative Agent shall be permitted to withdraw funds in the Term Loan Account to reimburse such Issuing Lender. Each such payment shall be made to such Issuing Lender at its address for notices specified to the Borrower in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at a rate equal to (i) until the second Business Day next succeeding the date of the relevant notice, the rate applicable to ABR Loans under the Revolving Facility, and (ii) thereafter, the rate set forth in Section 2.15(c).

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against any Issuing Lender, any beneficiary of a Letter of Credit or any other Person; provided that this paragraph shall not relieve any Issuing Lender, any beneficiary of a Letter of Credit or any other Person of any liability determined by a final non-appealable judgment of a court to have arisen from the gross negligence or willful misconduct of such Issuing Lender, beneficiary or other Person, or otherwise affect any defense or other right that the Borrower may have as a result of any such gross negligence or willful misconduct. The Borrower also agrees with each Issuing Lender that such Issuing Lender shall not be responsible for, and the Borrower's Reimbursement Obligations under Section 3.5 shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee, or any other events or circumstances that, pursuant to applicable law or the applicable customs and practices promulgated by the International Chamber of Commerce, are not within the responsibility of such Issuing Lender, except for errors or omissions determined by a final non-appealable judgment of a court to have arisen from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. No Issuing Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors, omissions, interruptions or delays determined by a final non-appealable judgment of a court to have arisen from the gross negligence or willful misconduct of such Issuing Lender or its employees or agents. The Borrower agrees that any action taken or omitted by any Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct (as determined by a final non-appealable judgment of a court and in accordance with the standards of care specified in the Uniform Commercial Code of the State of New York, shall be binding on the Borrower and shall not result in any liability of such Issuing Lender to the Borrower.

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the relevant Issuing Lender shall promptly notify the Borrower of the date and amount thereof. The responsibility of such Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit issued by such Issuing Lender shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

3.9 Additional Issuing Lenders. The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld, conditioned or delayed) and such Revolving Lender, designate one or more additional Revolving Lenders to act as an issuing lender under the terms of this Agreement. Any Revolving Lender designated as an issuing bank pursuant to this Section 3.9 shall be deemed to be an "Issuing Lender" (in addition to being a Revolving Lender) in respect of Letters of Credit issued or to be issued by such Revolving Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Lender or Issuing Lenders and such Revolving Lender.

SECTION 4. REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue or participate in the Letters of Credit, each Loan Party hereby represents and warrants to the Administrative Agent and each Lender, which representations and warranties shall be deemed made on the Closing Date and on the date of each borrowing of Loans or issuance of a Letter of Credit hereunder that:

4.1 Financial Condition. The audited consolidated balance sheets of Parent and its consolidated Subsidiaries for the fiscal years ended March 29, 2008, March 28, 2009 and April 3, 2010 and audited consolidated statements of income, stockholders' deficit and cash flows for Parent and its consolidated Subsidiaries for the fiscal year ended March 29, 2008, March 28, 2009 and April 3, 2010, reported on by and accompanied by an unqualified report from Deloitte & Touche LLP, present fairly in all material respects the consolidated financial condition of Parent and its consolidated Subsidiaries, as at such dates, and the consolidated results of its operations and its consolidated cash flows for the respective fiscal years then ended. All such financial statements have been prepared in accordance with GAAP. Except as set forth on Schedule 4.1, Parent and its Subsidiaries do not have, as of April 3, 2010, any material Guarantee Obligations, contingent liabilities or liabilities for taxes that are not reflected in the most recent financial statements referred to in this paragraph.

4.2 No Change. Since April 3, 2010, there has been no event, development or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

4.3 Existence; Compliance with Law. Each Loan Party (a) is duly organized, validly existing and in good standing (or, if applicable, the equivalent status in any foreign jurisdiction) under the laws of the jurisdiction of its organization, (b) has the corporate or organizational power and authority, and the legal right, to own and operate its Property, to lease the Property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation or limited liability company and in good standing under the laws of each jurisdiction where its ownership, lease or operation of Property or the conduct of its business requires such qualification except to the extent that the failure to be so qualified or in good standing would not reasonably be expected to have a Material Adverse Effect and (d) is in compliance with all Requirements of Law except to the extent that any such failure to comply therewith would not reasonably be expected to have a Material Adverse Effect.

4.4 Corporate Power; Authorization; Enforceable Obligations. Upon entry by the Bankruptcy Court of the Interim Order (or the Final Order, as applicable), each Loan Party has the corporate power and authority to make, deliver and perform the Loan Documents to which it is a party and, in the case of the Borrower, to borrow or have Letters of Credit issued hereunder. Each Loan Party has taken all necessary corporate or other action to authorize its execution, delivery and performance of the Loan Documents to which it is a party and, in the case of the Borrower, to authorize its borrowing on the terms and conditions of this Agreement. Upon entry by the Bankruptcy Court of the Interim Order (or the Final Order, as applicable), no consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority is required to be made or obtained by any Loan Party or any of its Subsidiaries in connection with the extensions of credit hereunder or the execution, delivery, performance, validity or enforceability of this Agreement or any of the other Loan Documents, except such consents, authorizations, filings and notices as have been obtained or made and are in full force and effect. Each Loan Document has been duly executed and delivered on behalf of each Loan Party that is a party thereto. Upon entry by the Bankruptcy Court of the Interim Order (or the Final Order, as applicable), this Agreement constitutes, and each other Loan Document upon execution will constitute, a

legal, valid and binding obligation of each Loan Party that is a party thereto, enforceable against each such Loan Party in accordance with its terms and the Interim Order (or the Final Order, as applicable).

4.5 No Legal Bar. The execution, delivery and performance of this Agreement and the other Loan Documents by the Loan Parties party thereto, the issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not (a) violate the organizational or governing documents of any of the Loan Parties, (b) except as would not reasonably be expected to have a Material Adverse Effect, violate any Requirement of Law binding upon the any of the Loan Parties or any Contractual Obligation of any of the Loan Parties entered into after the Petition Date or (c) result in, or require, the creation or imposition of any Lien on any of their respective properties or revenues pursuant to any Requirement of Law or any such Contractual Obligation (other than the Liens created by this Agreement and the Orders).

4.6 No Material Litigation. Except for the Cases and litigation that is stayed by the commencement and continuation of the Cases, no litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Loan Party, likely to be commenced within a reasonable time period against any of the Loan Parties or against any of their Properties or revenues which, taken as a whole, (a) are material with respect to any of the Loan Documents or (b) would reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Default or Event of Default has occurred and is continuing.

4.8 Ownership of Property; Liens. Except as set forth in Schedule 4.8A, each of the Loan Parties has title in fee simple to, or a valid leasehold interest in, all its real property, and good title to, or a valid leasehold interest in, all its other Property (other than Intellectual Property), in each case, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and none of such Property is subject to any Lien except as permitted by the Loan Documents. Schedule 4.8B lists all real property which is owned or leased by any Loan Party as of the Closing Date.

4.9 Intellectual Property. Except as set forth in Schedule 4.9, each of the Loan Parties owns, or has a valid license to use, all Intellectual Property necessary for the conduct of its business as currently conducted free and clear of all Liens. No holding, injunction, decision or judgment has been rendered by any Governmental Authority against any Loan Party and no Loan Party has entered into any settlement stipulation or other agreement (except license agreements in the ordinary course of business) which would limit, cancel or question the validity of, or any Loan Party's rights in, any Intellectual Property in any respect that would reasonably be expected to have a Material Adverse Effect. No written claim has been asserted or threatened or is pending by any Person challenging or questioning the use by any Loan Party of any Intellectual Property or the validity or effectiveness of any Intellectual Property owned by any Loan Party except as would not reasonably be expected to have a Material Adverse Effect. The use of Intellectual Property owned by any Loan Party does not infringe on the rights of any Person in any material respect. Each Loan Party has taken all reasonable actions that in the exercise of its reasonable business judgment should be taken to protect its Intellectual Property, including Intellectual Property that is confidential in nature.

4.10 Taxes. Except as set forth in Schedule 4.10, the Loan Parties (i) have filed or caused to be filed all federal, state, provincial and other Tax returns that are required to be filed and (ii) have paid all (a) Taxes shown to be due and payable on said returns and (b) all other Taxes, fees or other charges imposed on it or any of its Property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which any reserves required in conformity with GAAP have been provided on the books of such Loan Party, as the case may be) except any Taxes, fees or other charges (x) the nonpayment of

which is required or permitted by the Bankruptcy Code or (y) where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

4.11 Federal Regulations. No part of the proceeds of any Loans, and no other extensions of credit hereunder, will be used for "buying" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U as now and from time to time hereafter in effect or for any purpose that violates the provisions of the regulations of the Board.

4.12 ERISA. (a) Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect: (i) during the five-year period prior to the date on which this representation is made: no Reportable Event has occurred; each Plan has complied with the applicable provisions of ERISA and the Code; there has been no failure by any Single Employer Plan to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Single Employer Plan, whether or not waived; there has been no failure to make by its due date a required installment under Section 430(j) of the Code with respect to any Single Employer Plan; there has been no determination that any Single Employer Plan is, or is expected to be, in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); no termination of a Single Employer Plan has occurred; and no Lien in favor of the PBGC or a Plan has arisen; (ii) the present value of all accrued benefits under each Single Employer Plan (based on those assumptions used to fund such Plans) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Plan allocable to such accrued benefits; (iii) no Loan Party has had a complete or partial withdrawal from any Multiemployer Plan that has resulted or would reasonably be expected to result in a liability under ERISA; no Loan Party would become subject to any liability under ERISA if such Loan Party were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date on which this representation is made; and no Multiemployer Plan is in Reorganization, Insolvent, or in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA).

(b) The Loan Parties have not incurred, and do not reasonably expect to incur, any liability under ERISA or the Code with respect to any plan within the meaning of Section 3(3) of ERISA which is subject to Title IV of ERISA that is maintained by a Commonly Controlled Entity (other than the Loan Parties) (a "Commonly Controlled Plan") merely by virtue of being treated as a single employer under Title IV of ERISA with the sponsor of such plan that would reasonably be likely to have a Material Adverse Effect and result in a direct obligation of the Loan Parties to pay money.

4.13 Investment Company Act. No Loan Party is an "investment company", or a company "controlled" by an "investment company", required to register as such under the Investment Company Act of 1940, as amended.

4.14 Subsidiaries. (a) The Subsidiaries listed on Schedule 4.14 constitute all the Subsidiaries of the Parent as of the Closing Date. Schedule 4.14 sets forth as of the Closing Date the name and jurisdiction of incorporation of such Subsidiary and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by a Loan Party.

(b) As of the Closing Date, except as set forth on Schedule 4.14, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options or restricted stock granted to officers, employees or directors and directors' qualifying shares) of any nature relating to any Capital Stock of any Loan Party.

4.15 Environmental Matters. Other than exceptions to any of the following that would not reasonably be expected to have a Material Adverse Effect: no Loan Party (i) has failed to comply

with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law; (ii) has become subject to any Environmental Liability; or (iii) knows of any facts or circumstances which are reasonably likely to form the basis for any Environmental Liability.

4.16 Accuracy of Information, etc. The statements and information (excluding the projections referred to below) contained in this Agreement, any other Loan Document or any certificate furnished to the Administrative Agent or the Lenders or any of them, by or on behalf of any Loan Party for use in connection with the transactions contemplated by this Agreement or the other Loan Documents (as modified or supplemented by other information so furnished) when taken as a whole, do not contain, as of the date such statement, information or certificate was so furnished, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not materially misleading. The projections contained in the materials referenced above are based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made, it being recognized by the Lenders that such projections as they relate to future events are not to be viewed as fact and that actual results during the period or periods covered by such projections may differ from the projected results set forth therein by a material amount.

SECTION 5. CONDITIONS PRECEDENT

5.1 Conditions to Initial Extension of Credit. The agreement of each Lender to make the initial extension of credit requested to be made by it is subject to the satisfaction (or waiver), prior to or substantially concurrently with the making of such extension of credit on the Closing Date, of the following conditions precedent:

(a) Credit Agreement. The Administrative Agent shall have received (i) this Agreement, executed and delivered by the Borrower and each Guarantor.

(b) Fees. The Administrative Agent shall have received on or before the Closing Date all fees required to be paid by the Borrower (including those to be passed on to the Lenders), and all reasonable out-of-pocket expenses required to be paid by the Borrower for which reasonably detailed invoices have been presented at least two Business Days prior to the Closing Date (including reasonable fees, disbursements and other charges of counsel to the Administrative Agent).

(c) Financial Statements. The Administrative Agent shall have received audited consolidated balance sheets for the Parent and its consolidated Subsidiaries for the fiscal years ended March 29, 2008, March 28, 2009 and April 3, 2010 and audited consolidated statements of income, stockholders' deficit and cash flows for the Parent and its Subsidiaries for the fiscal years ended March 29, 2008, March 28, 2009 and April 3, 2010.

(d) Lien Searches. The Administrative Agent shall have received the results of a recent lien search in each of the jurisdictions in which Uniform Commercial Code financing statements, or other filings or recordations should be made to evidence or perfect security interests in all assets of the Loan Parties, and such search shall reveal no liens on any of the assets of the Loan Party, except for Liens permitted by Section 7.3.

(e) Closing Certificate. The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit C, with

appropriate insertions and attachments and (ii) a good standing certificate for each Loan Party in its jurisdiction of organization.

(f) Legal Opinions. The Administrative Agent shall have received (i) an executed legal opinion of Debevoise & Plimpton LLP, special New York counsel to the Loan Parties and (ii) an executed legal opinion of the general counsel to the Borrower.

(g) Pledged Stock; Stock Powers; Pledged Notes. The Administrative Agent shall have received (i) the certificates representing the certificated shares of Capital Stock pledged pursuant to the Orders, together with an undated stock power for each such certificate executed in blank by a duly authorized officer of the pledgor thereof and (ii) each promissory note (if any) pledged pursuant to the Orders endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(h) Interim Order. At the time of the making of the initial extension of credit, and in any event no later than five days after the Petition Date, the Administrative Agent shall have received a copy of the Interim Order approving the Loan Documents and granting the Superpriority Claim status and Liens described in Sections 2.24 and finding that the Lenders are extending credit to the Borrower in good faith within the meaning of Section 364(e) of the Bankruptcy Code, which Interim Order shall (i) have been entered with the consent or non-objection of a majority (as determined by the Administrative Agent in accordance with its records) of the lending institutions party to the Prepetition First Lien Credit Agreement and on prior notice to the Prepetition First Lien Secured Parties, (ii) be in form and substance reasonably satisfactory to the Lenders, (iii) authorize extensions of credit (x) under the Revolving Facility in amounts not in excess of $2,500,000, consisting solely of Letters of Credit and (y) under the Term Facility in amounts not in excess of $20,000,000, (iv) authorize the use of Cash Collateral under the Prepetition First Lien Credit Agreement and provide for adequate protection in favor of the Prepetition First Lien Secured Parties as set forth in Section 2.24(c), (v) contain customary provisions regarding challenges to the prepetition claims and liens of the Prepetition First Lien Secured Parties and other matters, (vi) approve the payment by the Borrower of all fees required to be paid to the Administrative Agent and the Lenders, (vii) be in full force and effect and (viii) not have been stayed, reversed, vacated, rescinded, modified or amended in any respect and, if the Interim Order is the subject of a pending appeal in any respect, none of the making of such extension of credit, the grant of Liens and Superpriority Claims pursuant to Section 2.24 or the performance by the Loan Parties of any of their respective obligations hereunder or under the other Loan Documents shall be the subject of a presently effective stay pending appeal.

(i) First Day Motion/Orders. All motions and orders submitted to the Bankruptcy Court on or about the Petition Date shall be in form and substance reasonably satisfactory to the Required Lenders.

(j) Budget. The Borrower shall have delivered to the Administrative Agent and the Lenders (i) a monthly budget for the six months following the Petition Date and (ii) the initial Budget, in each case (x) in form and substance reasonably satisfactory to the Lenders and (y) which shall be accompanied by a certificate of a Responsible Officer stating that such budget is based upon good faith estimates and assumptions believed by management of the Borrower to be reasonable at the time made and that such Responsible Officer does not have reason to believe that such budget in light of such assumptions are incorrect or misleading in any material respect.

(k) Insurance. The Administrative Agent shall have received insurance certificates satisfying the requirements of Section 6.5(c).

(l) LIFO Loans. (i) The Administrative Agent shall have received satisfactory evidence that the LIFO Loans shall have been paid in full and (ii) satisfactory arrangements shall have been made for the termination of all Liens granted in connection therewith.

5.2 Conditions to Each Extension of Credit. The agreement of (x) each Lender to make any Loan or to issue or participate in any Letter of Credit hereunder on any date (including, without limitation, its initial extension of credit) or (y) the Administrative Agent to release proceeds of the Term Loans from the Term Loan Account is subject to the satisfaction of the following conditions precedent:

(a) Representations and Warranties. Each of the representations and warranties made by any Loan Party in the Loan Documents shall be true and correct in all material respects, in each case on and as of such date as if made on and as of such date except to the extent that such representations and warranties relate to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date.

(b) No Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the extensions of credit or release requested to be made on such date.

(c) Bankruptcy Court Approval. The Interim Order shall be in full force and effect and shall not have been stayed, reversed, vacated, rescinded, modified or amended in any respect; provided that at the time of the making of any Loan or the issuance of any Letter of Credit the aggregate amount of either of which, when added to the sum of the principal amount of all Loans then outstanding and the Letters of Credit outstanding, would exceed the amount authorized by the Interim Order (such excess amount, the "Additional Credit"), the Administrative Agent and each of the Lenders shall have received a certified copy of the Final Order which, in any event, shall have been entered by the Bankruptcy Court no later than 40 days after the entry of the Interim Order and at the time of the extension of any Additional Credit the Final Order shall be in full force and effect, and shall not have been vacated, stayed, reversed, modified or amended in any respect without the prior written consent of the Administrative Agent, the Required Lenders and the Prepetition First Lien Agent; and if either the Interim Order or the Final Order is the subject of a pending appeal in any respect, none of the making of such extensions of credit, the grant of Liens and Superpriority Claims pursuant to Section 2.24 or the performance by any Loan Party of any of their respective obligations under any of the Loan Documents shall be the subject of a presently effective stay pending appeal.

(d) Compliance with Budget. The proceeds of any Revolving Extension of Credit or the proceeds of the Term Loans requested to be released from the Term Loan Account, when added to the Cash Balance in excess of the Cash Balance Limit, are required to make expenditures in accordance with the Budget (as the aggregate amount of such Budget may be increased by the Permitted Disbursements Variance) within seven days after the making of such Revolving Extension of Credit or release of Term Loan Proceeds, as applicable.

(e) Revolving Loan Condition. In the case of a borrowing of Revolving Loans, there shall be no amounts in the Term Loan Account other than such amounts which are being requested to be released concurrently with such borrowing.

Each borrowing by, issuance of a Letter of Credit on behalf of the Borrower and request for withdrawal from the Term Loan Account hereunder shall constitute a representation and warranty by the Borrower as of the date of such extension of credit that the conditions contained in this Section 5.2 have been satisfied.

6.2 Certificates; Other Information. Furnish to the Administrative Agent for delivery to each Lender, or, in the case of (x) clause (h), to counsel to the Administrative Agent or (y) clause (i), to the relevant Lender:

(a) concurrently with the delivery of any financial statements pursuant to Section 6.1(a) or (b), (i) a certificate of a Responsible Officer on behalf of the Borrower stating that such Responsible Officer has obtained no knowledge of any Default or Event of Default that has occurred and is continuing except as specified in such certificate and (ii) (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by the Loan Parties with the provisions of Section 7.1 as of the last day of the fiscal quarter or fiscal year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any new Subsidiary and of any change in the jurisdiction of organization of any other Loan Party;

(b) no later than the second Wednesday prior to the period covered by the then effective Budget, an updated Budget;

(c) promptly after the same are sent, copies of all financial statements and material reports that Parent, Holdings or the Borrower sends to the holders of any class of its debt securities or public equity securities (except for Permitted Investors) and, promptly after the same become publicly available, copies of all financial statements and reports that Parent, Holdings or the Borrower may make to, or file with, the SEC, in each case to the extent not already provided pursuant to Section 6.1 or any other clause of this Section 6.2;

(d) promptly upon delivery thereof to the Borrower and to the extent permitted, copies of any accountants' letters addressed to its Board of Directors (or any committee thereof);

(e) concurrently with the delivery of the financial statements referred to in Section 6.1(c), a copy of the Monthly Financial Report for such fiscal month, certified by a Responsible Officer as being accurately stated in all material respects (subject to normal quarter-end and year-end audit adjustments and the absence of notes);

(f) concurrently with the delivery of the financial statements referred to in Section 6.1(c), a copy of the Monthly Marketing Report for such fiscal month, certified by a Responsible Officer, to the best of each such Responsible Officer's knowledge, as being accurately stated in all material respects;

(g) no later than Wednesday of each calendar week, (i) an updated consolidated cash flow forecast, in form consistent with that delivered under the Prepetition First Lien Credit Agreement, showing on a weekly basis for the succeeding thirteen weeks beginning with the next succeeding Monday, (x) beginning and ending liquidity on a consolidated basis and (y) weekly receipts and disbursements for the succeeding thirteen weeks on a consolidated basis and (ii) a comparison of actual weekly cash flows for the week immediately preceding the week in which such comparison is delivered to the Budget;

(h) prior to such filing or distribution, copies of all pleadings, motions, applications, judicial information, financial information and other documents to be filed by or on behalf of any Debtor with the Bankruptcy Court or the United States Trustee in the Cases, or to be distributed by or on behalf of any Debtor to any official committee appointed in the Cases (other than (a) pleadings, motions applications or other filings which would reasonably be expected not to be

material to the Administrative Agent and the Lenders or (b) any financial information and other documents that have already been provided to advisors to the Administrative Agent);

(i) promptly following receipt thereof, copies of any documents described in Sections 101(k) or 101(l) of ERISA that any Loan Party or any Commonly Controlled Entity may request with respect to any Multiemployer Plan; provided, that if the Loan Parties or any of their Commonly Controlled Entities have not requested such documents or notices from the administrator or sponsor of the applicable Multiemployer Plan, then, upon reasonable request of the Administrative Agent, the Loan Parties and/or their Commonly Controlled Entities shall promptly make a request for such documents or notices from such administrator or sponsor and the Borrower shall provide copies of such documents and notices to the Administrative Agent promptly after receipt thereof; and

(j) promptly, such additional financial and other information as the Administrative Agent (for its own account or upon the request from any Lender) may from time to time reasonably request.

Documents required to be delivered pursuant to this Section 6.2 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

6.3 Payment of Obligations. Except in accordance with the Bankruptcy Code or by an applicable order of the Bankruptcy Court, pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature that constitute administrative expenses under Section 503(b) of the Bankruptcy Code in the Cases, except, so long as no material property (other than money for such obligation and the interest or penalty accruing thereon) of any Loan Party is in danger of being lost or forfeited as a result thereof, no such obligation need be paid if the amount or validity thereof is currently being contested in good faith by appropriate proceedings and any required reserves in conformity with GAAP with respect thereto have been provided on the books of the relevant Loan Party.

6.4 Conduct of Business and Maintenance of Existence, etc; Compliance. (a) Preserve, renew and keep in full force and effect its corporate or other existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business, except, in each case, as otherwise permitted by Section 7.4 and except to the extent that failure to do so would not reasonably be expected to have a Material Adverse Effect; and (b) subject to the effect of the Cases, comply with all Requirements of Law except to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.5 Maintenance of Property; Insurance. (a) Keep all Property useful and necessary in its business in reasonably good working order and condition, ordinary wear and tear excepted, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(b) Take all reasonable and necessary steps, including, without limitation, in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office, to maintain and pursue each application (and to obtain the relevant registration) and to maintain each registration of the material Intellectual Property owned by the Loan Parties, including, without

SECTION 6. AFFIRMATIVE COVENANTS

Each Loan Party hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent or indemnification obligations not then due), each Loan Party shall (except for the covenants set forth in Section 6.1 and Section 6.2 which shall be furnished by the Borrower only and the covenants set forth in Section 6.7 which shall be notified by the relevant Loan Party) and shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent for delivery to each Lender (which may be delivered via posting on Intralinks):

(a) as soon as available, but in any event within 90 days after the end of each fiscal year of Holdings, a copy of the audited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such year and the related audited consolidated statements of income and of cash flows for such year, setting forth in each case in comparative form the figures as of the end of and for the previous year, reported on without qualification arising out of the scope of the audit, by Deloitte & Touche LLP or other independent certified public accountants of nationally recognized standing;

(b) as soon as available, but in any event not later than 45 days after the end of each of the first three quarterly periods of each fiscal year of Holdings, a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such quarter and the related unaudited consolidated statements of income and of cash flows for such quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures as of the end of and for the corresponding period in the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments and the absence of notes); and

(c) as soon as available, but in any event not later than 20 days after the end of each fiscal month (or 30 days after the end of each such fiscal month that is also the end of a fiscal quarter), a copy of the unaudited consolidated balance sheet of Holdings and its consolidated Subsidiaries as at the end of such month and the related statements of income and cash flows for such month and the portion of the fiscal year through the end of such month, setting forth in each case in comparative form the figures as of the end of and for the corresponding period of the previous fiscal year, together with a comparison to the Budget for the period through the end of such month, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal quarter-end and year-end audit adjustments and the absence of notes);

all such financial statements to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein and with prior periods (except as approved by such accountants or officer, as the case may be, and disclosed therein).

Documents required to be delivered pursuant to this Section 6.1 may be delivered by posting such documents electronically with notice of such posting to the Administrative Agent and if so posted, shall be deemed to have been delivered on the date on which such documents are posted on the Borrower's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent).

limitation, filing of applications for renewal, affidavits of use and affidavits of incontestability, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(c) Maintain insurance with financially sound and reputable insurance companies insurance on all its material Property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business. All such insurance shall, to the extent customary (but in any event, not including business interruption insurance and personal injury insurance) (i) provide that no cancellation thereof shall be effective until at least 10 days after receipt by the Administrative Agent of written notice thereof and (ii) name the Administrative Agent as insured party or loss payee, as applicable.

6.6 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all material dealings and transactions in relation to its business and activities, (b) permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records upon reasonable notice and during normal business hours, (c) permit representatives of any Lender to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Loan Parties with officers and employees of the Loan Parties, (d) permit representatives of the Administrative Agent to have reasonable discussions regarding the business, operations, properties and financial and other condition of the Loan Parties with its independent certified public accountants (provided, that any of the Loan Parties may, if it so chooses, be present in and participate in any such discussions) and (e) on a regular basis as reasonably requested by the Administrative Agent and the Borrower and the Administrative Agent shall agree, provide notice and details for, and host, a teleconference between management of the Borrower and the Lenders to discuss the business and other issues as the Administrative Agent may reasonably request.

6.7 Notices. Promptly upon a Responsible Officer of any Loan Party obtaining knowledge thereof, give notice to the Administrative Agent (who shall promptly notify each Lender) of:

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

(b) any post-Petition Date litigation, investigation or proceeding which may exist at any time between any Loan Party and any other Person;

(c) the following events as soon as possible and in any event within 10 days after a Responsible Officer of any Loan Party knows thereof: (i) the occurrence of any Reportable Event with respect to any Plan, a failure to make any required contribution to a Plan, a determination that any Single Employer Plan is in "at risk" status (within the meaning of Section 432 of the Code or Section 303 of ERISA), the creation of any Lien in favor of the PBGC or a Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or determination that any Multiemployer Plan is in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (ii) the institution of proceedings or the taking of any other action by the PBGC or any Loan Party or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any Multiemployer Plan or the determination that any Multiemployer Plan is in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (iii) the occurrence of any similar events with respect to a Commonly Controlled Plan that would reasonably be likely to result in a direct obligation of any Loan Party or any of its Subsidiaries to pay money; and

(d) any development or event that has had or would reasonably be expected to have a Material Adverse Effect.

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

6.8 Use of Proceeds. The proceeds of the Term Loans, the Revolving Loans and the Letters of Credit shall be used (i) to refinance the LIFO Loans under, and as defined in, the Prepetition First Lien Credit Agreement and (ii) for working capital and other general corporate purposes (including costs related to the Cases) of the Debtors in accordance with the Budget as the aggregate amount of such Budget may be increased by the Permitted Disbursements Variance; provided that such proceeds shall not be used to challenge the Liens securing the Obligations, the Prepetition First Lien Obligations or the Prepetition Second Lien Obligations or to assert any claim or causes of action against the Administrative Agent, the Lenders, the Prepetition First Lien Lenders, the Prepetition First Lien Agent, the Prepetition Second Lien Lenders or the Prepetition Second Lien Agent, in each case as more fully set forth in the Orders.

SECTION 7. NEGATIVE COVENANTS

Each Loan Party hereby agrees that, so long as the Commitments remain in effect, any Letter of Credit remains outstanding or any Loan or other amount is owing to any Lender or the Administrative Agent hereunder (other than contingent or indemnification obligations not then due), each Loan Party shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated EBITDA. Permit Consolidated EBITDA as at the last day of the period of twelve consecutive months ending on a date set forth below to fall below the amount set forth opposite such date:

Period	Minimum Consolidated EBITDA
August 31, 2010	$60,300,000
September 30, 2010	$59,800,000
October 31, 2010	$58,700,000
November 30, 2010	$58,700,000
December 31, 2010	$58,500,000
January 31, 2011	$58,300,000
February 28, 2011	$57,800,000
March 31, 2011	$56,000,000

(b) Receipts, Disbursements and Budget Variance Tests. (i) For each period for the Budget (including any updated Budget), minimum total cumulative operating receipts of the Loan Parties for the period from the first day of such Budget period through the last day of each week within such Budget period (each such period, a "Test Period") beginning with the second such week, as compared to total cumulative operating receipts for such Test Period set forth in the Budget, shall have no negative variance or a negative variance not to exceed 10% of the amount set forth in the Budget for such Test Period and (ii) for each Test Period, maximum total cumulative operating disbursements of the Loan Parties as of the last day of each week within such Test Period shall not exceed the amount set forth in the Budget for such Test Period by more than a percentage of the amount set forth in the Budget

for such Test Period (the aggregate amount of such variance, the "Permitted Disbursements Variance") as follows: (A) 5%, for the second, third, fourth, fifth, sixth and seventh weeks of such Test Period, (B) 4%, for the eighth, ninth and tenth weeks of such Test Period and (C) 3% for the eleventh, twelfth and thirteenth weeks of such Test Period.

7.2 Indebtedness. Create, issue, incur, assume, or suffer to exist any Indebtedness, except:

(a) Indebtedness of any Loan Party pursuant to any Loan Document;

(b) Indebtedness (i) of the Borrower to any of its Subsidiaries and (ii) of any Subsidiary Guarantor to the Borrower;

(c) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed $500,000 at any one time outstanding and extensions, renewals, refinancings and replacements of any such Indebtedness (without any increase in the principal amount thereof);

(d) Indebtedness outstanding on the Petition Date and listed on Schedule 7.2(d);

(e) Guarantee Obligations by the Borrower or any of its Subsidiaries of obligations of the Borrower or any Subsidiary Guarantor;

(f) Indebtedness of the Borrower or any of its Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn by the Borrower or such Subsidiary in the ordinary course of business against insufficient funds, so long as such Indebtedness is promptly repaid;

(g) Indebtedness incurred after the Petition Date representing deferred compensation to employees of the Borrower incurred in the ordinary course of business and consistent with past practice; and

(h) Indebtedness of the Borrower or any of its Subsidiaries incurred after the Petition Date in respect of workers' compensation claims, property casualty or liability insurance, take-or-pay obligations in supply arrangements, self-insurance obligations, performance, bid, customs, government, judgment, appeal and surety bonds and other obligations of a similar nature and completion guaranties, in each case in the ordinary course of business and consistent with past practice.

7.3 Liens. Create, incur, assume or suffer to exist any Lien upon any of its Property, whether now owned or hereafter acquired, except for:

(a) Liens for Taxes not yet due or delinquent or which are being contested in good faith by appropriate proceedings, provided, that adequate reserves with respect thereto are maintained on the books of the Borrower or its Subsidiaries, as the case may be, to the extent required by GAAP;

(b) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges, deposits or statutory trusts made in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits and other Liens to secure the performance of bids, government, trade and other similar contracts (other than for borrowed money), leases, subleases, statutory obligations, surety, judgment and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) encumbrances shown as exceptions in the title insurance policies insuring the mortgages securing the Prepetition First Lien Obligations and easements, zoning restrictions, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not materially interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(f) Liens in existence on the Petition Date and listed on Schedule 7.3(f);

(g) (i) Liens securing Indebtedness of the Borrower or any Subsidiary incurred pursuant to Section 7.2(c), provided, that (x) such Liens shall be created substantially concurrently with the acquisition of the assets financed by such Indebtedness, and (y) such Liens do not at any time encumber any Property other than the Property financed by such Indebtedness and the proceeds thereof and (ii) any extension, refinancing, renewal or replacement of the Liens described in clause (i) of this Section 7.3(g), in whole or in part, provided, that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property);

(h) Liens created pursuant to this Agreement and the Orders;

(i) any interest or title of a lessor under any lease or sub-lease entered into by the Borrower or any Subsidiary in the ordinary course of its business and consistent with past practice, and covering only the assets so leased or subleased, and any financing statement filed in connection with any such lease or sub-lease;

(j) Liens arising from judgments in circumstances not constituting an Event of Default under Section 8(l);

(k) receipt of progress payments and advances from customers in the ordinary course of business of the Loan Parties and consistent with past practice, to the extent same creates a Lien on the related inventory and proceeds thereof;

(l) Liens arising in favor of customs and revenue authorities arising as a matter of law to secure the payment of customs duties in connection with the importation of goods;

(m) concession agreements, licenses, sublicenses, leases or subleases granted to or from others that do not interfere in any material respect with the business of the Borrower or any Subsidiary;

(n) Liens arising out of consignment or similar arrangements for the sale by the Borrower and its Subsidiaries of goods through third parties in the ordinary course of business of the Loan Parties and consistent with past practice;

(o) Liens upon specific items of inventory or other goods and proceeds of the Borrower or any of its Subsidiaries securing such Person's obligations in respect of bankers' acceptances and letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(p) Liens deemed to exist in connection with Investments permitted by Section 7.8(b) that constitute repurchase obligations;

(q) Liens arising (i) that are contractual rights of set-off, (ii) relating to purchase orders and other agreements entered into with customers or suppliers of the Borrower or any Subsidiary in the ordinary course of business of the Loan Parties and consistent with past practice or (iii) in favor of financial institutions encumbering deposits or other amounts (including the right of set-off) which are within the general parameters customary in the banking industry;

(r) (i) deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty, liability, director and officer or other insurance to the Borrower or any Subsidiary; and

(s) Liens securing obligations (other than obligations representing Indebtedness for money borrowed) under reciprocal easement or similar agreements entered into in the ordinary course of business of the Loan Parties and consistent with past practice.

7.4 Fundamental Changes. Enter into any merger, consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or Dispose of all or substantially all of its Property or business, except that:

(a) any Subsidiary of the Borrower may be merged, amalgamated or consolidated with or into the Borrower (provided, that the Borrower shall be the continuing or surviving corporation) or with or into any Subsidiary Guarantor (provided, that (A) such Subsidiary Guarantor shall be the continuing or surviving corporation or (B) simultaneously with such transaction, the continuing or surviving corporation shall become a Subsidiary Guarantor);

(b) any Subsidiary of the Borrower may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or any Subsidiary Guarantor; and

(c) one or more Loan Parties (other than Parent) may convert into a limited liability company in connection with the Plan of Reorganization or otherwise with the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed).

7.5 Dispositions of Property. Dispose of any of its owned Property (including, without limitation, receivables) or its leased real property, whether now owned or hereafter acquired, or, in the case of any Debtor, issue or sell any shares of such Debtor's Capital Stock to any Person, except:

(a) the Disposition of surplus, obsolete or worn out property in the ordinary course of business of the Loan Parties and consistent with past practice;

(b) (i) the Disposition of inventory in the ordinary course of business of the Loan Parties and consistent with past practice, (ii) the cross-licensing or licensing of Intellectual

Property in the ordinary course of business and (iii) the contemporaneous exchange, in the ordinary course of business of the Loan Parties and consistent with past practice, of Property for Property of a like kind (other than as set forth in clause (ii)), to the extent that the Property received in such exchange is of a value equivalent to the value of the Property exchanged (provided, that after giving effect to such exchange, the value of the Property of the Loan Parties subject to perfected first priority Liens in favor of the Administrative Agent and the Lenders under this Agreement and the Orders is not materially reduced);

(c) Dispositions permitted by Section 7.4;

(d) the Disposition, sale or issuance of any Subsidiary's Capital Stock to the Borrower or any Subsidiary Guarantor;

(e) the Disposition or abandonment of Intellectual Property that is, in the reasonable judgment of Borrower, no longer economically practicable to maintain or useful in the conduct of the business of the Borrower and its Subsidiaries taken as a whole;

(f) any Recovery Event, provided, that the requirements of Section 2.12(a) are complied with in connection therewith;

(g) the leasing, occupancy agreements or sub-leasing of Property that would not materially interfere with the required use of such Property by the Borrower or its Subsidiaries;

(h) the sale or discount, in each case without recourse and in the ordinary course of business of the Loan Parties and consistent with past practice, of overdue accounts receivable arising in the ordinary course of business, but only in connection with the compromise or collection thereof consistent with customary industry practice (and not as part of any bulk sale or financing of receivables);

(i) transfers of condemned property as a result of the exercise of "eminent domain" or other similar policies to the respective Governmental Authority or agency that has condemned same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;

(j) the transfer of Property by (i) the Borrower to any Subsidiary Guarantor and (ii) any Subsidiary to the Borrower or any Subsidiary Guarantor;

(k) the sale of Cash Equivalents in the ordinary course of business of the Loan Parties and consistent with past practice;

(l) Liens permitted by Section 7.3;

(m) Restricted Payments permitted by Section 7.6;

(n) Investments permitted by Section 7.8.; and

(o) sales or transfers of any of the owned real property listed on Schedule 7.5(o); provided that in the case of any such sale or transfer (i) no Default or Event of Default exists or would result therefrom, (ii) such sale or transfer is for fair market value, (iii) all of the

consideration received by the Loan Parties therefor shall be paid in cash and (iv) the Net Cash Proceeds thereof are applied in accordance with Section 2.12.

7.6 Restricted Payments. Declare or pay any dividend on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for, the purchase, redemption, defeasance, retirement or other acquisition of, any Capital Stock of any Loan Party, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of any Loan Party (collectively, "Restricted Payments"), except:

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

(b) the Borrower may pay dividends to Holdings to permit Holdings or Parent to (A) pay general and administrative expenses incurred in the ordinary course of business and consistent with past practice not to exceed $200,000 in any fiscal year, (B) pay reasonable and necessary expenses in connection with indemnification and reimbursement of directors, officers and employees in respect of liabilities relating to their serving in such capacity, or obligations in respect of directors and officer insurance (including any premiums therefor), (C) pay reasonable and necessary expenses (including professional fees) in connection with compliance with reporting obligations under, or in connection with compliance with, federal or state laws or under this Agreement or any of the other Loan Documents, and (D) in the case of any Taxes arising from the filing of a consolidated, combined or unitary Tax Return that includes the Borrower, Holdings and/or Parent, pay any Taxes to the extent Holdings or Parent is liable for such Taxes and such Taxes are attributable to the operations of the Borrower and its Subsidiaries; provided, however, that the Borrower shall not make any such Tax distributions in excess of its and its Subsidiaries stand-alone Tax liability in respect of such Taxes;

(c) Restricted Payments by the Borrower and its Subsidiaries pursuant to any transaction permitted by Section 7.4; and

(d) Investments permitted by Section 7.8.

7.7 Capital Expenditures. Make any Capital Expenditure except Capital Expenditures of the Borrower and its Subsidiaries in the ordinary course of business in accordance with the Budget as the aggregate amount of such Budget may be increased by the Permitted Disbursements Variance.

7.8 Investments. Make any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase any Capital Stock, bonds, notes, debentures or other debt securities of, or all or substantially all of the assets constituting an ongoing business from, or make any other investment in, any other Person (all of the foregoing, "Investments"), except:

(a) extensions of trade credit in the ordinary course of business;

(b) Investments in Cash Equivalents;

(c) Investments arising in connection with the incurrence of Indebtedness permitted by Sections 7.2(b) and (e);

(d) loans and advances to employees, officers and directors of any Loan Party in the ordinary course of business in an aggregate amount (for the Borrower and all Subsidiaries) not to exceed $10,000 at any one time outstanding;

(e) Investments (other than those relating to the incurrence of Indebtedness permitted by Section 7.8(c)) by the Borrower or any of its Subsidiaries in the Borrower or any Subsidiary Guarantor;

(f) Investments (including debt obligations) received in the ordinary course of business by the Borrower or any Subsidiary in connection with the bankruptcy or reorganization of suppliers, customers and other Persons and in settlement of delinquent obligations of, and other disputes with, suppliers, customers and other Persons arising out of the ordinary course of business;

(g) Investments in existence on the Petition Date and listed on Schedule 7.8;

(h) loans and advances to Holdings in lieu of, and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to Holdings in accordance with Section 7.6 (which loans and advances shall be treated as Restricted Payments for purposes of determining compliance with Section 7.6);

(i) Investments by the Borrower and its Subsidiaries made pursuant to any transaction permitted by Section 7.4;

(j) Investments resulting from pledges and deposits referred to in Sections 7.3(c) and (d);

(k) the forgiveness or conversion to equity of any Indebtedness permitted by Section 7.2(b);

(l) Guarantees by the Borrower or any Subsidiary of operating leases (other than Capital Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by the Borrower or any Subsidiary in the ordinary course of business of the Loan Parties and consistent with past practice; and

(m) Investments that constitute Capital Expenditures permitted by Section 7.7.

7.9 [Reserved].

7.10 Transactions with Affiliates. Enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property, the rendering of any service or the payment of any management, advisory or similar fees, with any Affiliate (other than any Group Member) unless such transaction is (a) otherwise not prohibited under this Agreement, (b) upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate and (c) on at least five Business Days' prior notice to the Lenders and approved by the Bankruptcy Court.

7.11 Sales and Leasebacks. Enter into any arrangement with any Person providing for the leasing by the Borrower or any Subsidiary of real or personal property which is to be sold or transferred by the Borrower or such Subsidiary (a) to such Person or (b) to any other Person to whom

funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Subsidiary.

7.12 Changes in Fiscal Periods. Permit the fiscal year of the Borrower to end on a day other than the Saturday closest to March 31.

7.13 Negative Pledge Clauses. Enter into any agreement that prohibits or limits the ability of the Borrower or any of its Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its Property or revenues, whether now owned or hereafter acquired, to secure the Obligations (in the case of the Borrower) or, in the case of any Guarantor, its obligations under Section 10 of this Agreement, other than (a) the Orders, this Agreement and the other Loan Documents, (b) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby and the proceeds thereof), (c) software and other Intellectual Property licenses pursuant to which the Borrower or such Guarantor is the licensee of the relevant software or Intellectual Property, as the case may be, (in which case, any prohibition or limitation shall relate only to the assets or rights subject of the applicable license and/or the license itself), (d) Contractual Obligations incurred in the ordinary course of business and on customary terms which limit Liens on the assets subject of the applicable Contractual Obligation or the assignment of rights thereunder, (e) prohibitions and limitations imposed by law or in effect on the date hereof and listed on Schedule 7.13, (f) customary provisions contained in joint venture agreements and other similar agreements applicable to joint ventures entered into in the ordinary course of business, (g) customary provisions restricting the subletting or assignment of any lease governing a leasehold interest and (h) customary restrictions and conditions contained in any agreement relating to an asset sale permitted by Section 7.5.

7.14 Lines of Business. Enter into any business, either directly or through any of its Subsidiaries, except for the business and operations of the Borrower and its Subsidiaries, as conducted as of the Petition Date, or a business reasonably related thereto or that is a reasonable extension thereof.

7.15 Limitation on Hedge Agreements. Enter into any Hedge Agreement.

7.16 Concentration Account. On and after the fourteenth date after the Closing Date (or such later date as may be agreed to by the Administrative Agent, in its sole discretion, but not to exceed 30 days after the Closing Date), fail to maintain a cash management system (as more particularly described in the first-day motion approved by the Administrative Agent) that concentrates on a daily basis in the Concentration Account the Cash Balance in excess of the sum of $250,000, plus the aggregate amount of checks which have been written, but not yet, as of the applicable date, cleared. In connection with the maintenance of the foregoing, the Borrower shall seek the entry of appropriate first day orders, reasonably satisfactory to the Required Lenders providing for the implementation of such cash management system.

SECTION 8. EVENTS OF DEFAULT

If any of the following events shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Loan made to the Borrower when due in accordance with the terms hereof; or the Borrower shall fail to pay any Reimbursement Obligation owed by the Borrower or interest owed by the Borrower on any Loan or Reimbursement Obligation, or any other amount payable by the Borrower hereunder or under

any other Loan Document, within one Business Day after any such Reimbursement Obligation, interest or other amount becomes due in accordance with the terms hereof; or

(b) Any representation or warranty made or deemed made by any Loan Party herein or in any other Loan Document or that is contained in any certificate furnished by it at any time under or in connection with this Agreement or any such other Loan Document, shall in either case prove to have been inaccurate in any material respect on or as of the date made or deemed made or furnished; or

(c) Any Loan Party shall (i) default in the observance or performance of any agreement contained in Section 6.2(b), Section 6.7(a) or Section 7 or (ii) fail to deliver any statement required to be delivered pursuant to Section 6.2(g) within two Business Days after any such statement is required to be delivered in accordance with the terms hereof; or

(d) Any Loan Party shall default in the observance or performance of any other agreement contained in this Agreement or any other Loan Document (other than as provided in paragraphs (a) through (c) of this Section), and such default shall continue unremedied for a period of five days after either (i) the Borrower receives from the Administrative Agent or any Lender notice of the existence of such default or (ii) a Responsible Officer has, or should have, knowledge of the existence of such default; or

(e) Any Loan Party shall (i) default in making any payment of any principal of any post-Petition Date Indebtedness (excluding the Loans and Reimbursement Obligations) on the scheduled due date with respect thereto; or (ii) default in making any payment of any interest on any such post-Petition Date Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such post-Petition Date Indebtedness was created; or (iii) default in the observance or performance of any other agreement or condition relating to any such post-Petition Date Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event of default shall occur, the effect of which payment or other default or other event of default is to cause, or to permit the holder or beneficiary of such post-Petition Date Indebtedness (or a trustee or agent on behalf of such holder or beneficiary) to cause, with the giving of notice if required, such post-Petition Date Indebtedness to become due prior to its stated maturity or to become subject to a mandatory offer to purchase by the obligor thereunder or to become payable; provided, that (A) a default, event or condition described in this paragraph shall not at any time constitute an Event of Default unless, at such time, one or more defaults or events of default of the type described in this paragraph shall have occurred and be continuing with respect to post-Petition Date Indebtedness the outstanding principal amount of which individually or in the aggregate exceeds $100,000; or

(f) Any of the Cases shall be dismissed or converted to a case under Chapter 7 of the Bankruptcy Code or a trustee under Chapter 11 of the Bankruptcy Code shall be appointed in any of the Cases; or

(g) (i) An order of the Bankruptcy Court shall be entered granting another Superpriority Claim or Lien pari passu with or senior to that granted (x) to the Lenders and the Administrative Agent pursuant to this Agreement and the Interim Order (or the Final Order, as applicable), or (y) to the Prepetition First Lien Secured Parties pursuant to the Interim Order (or the Final Order, as applicable), (ii) an order of the Bankruptcy Court shall be entered reversing, staying for a period in excess of 10 days, vacating or otherwise amending, supplementing or modifying the Interim Order (or the Final Order, as applicable) without the written consent of the Administrative Agent (at the direction of the Required Lenders); (iii) the Prepetition First Lien

Secured Parties' Cash Collateral shall be used in a manner inconsistent with the Interim Order (or the Final Order, as applicable), (iv) an order of a court of competent jurisdiction shall be entered terminating the use of the Prepetition First Lien Secured Parties' Cash Collateral; or (v) an order of the Bankruptcy Court shall be entered under Section 1106(b) of the Bankruptcy Code in any of the Cases appointing an examiner having enlarged powers relating to the operation of the business of the Loan Parties (i.e., powers beyond those set forth under Sections 1106(a)(3) and (4) of the Bankruptcy Code) and such order shall not be reversed or vacated within 30 days after the entry thereof; or

(h) Any Loan Party shall make any payments relating to pre-Petition Date obligations other than (i) as permitted under the Interim Order (or the Final Order, as applicable), (ii) in respect of critical vendors (A) in accordance with and to the extent authorized by, a "first day" order reasonably satisfactory to the Required Lenders and (B) in accordance with the Budget and (iii) as otherwise permitted under this Agreement, including pursuant to the Orders and in connection with adequate protection payments described in Section 2.24(c); or

(i) Other than pursuant to a "first day" order reasonably satisfactory to the Required Lenders or the Orders entry of an order granting relief from the automatic stay so as to allow a third party to proceed against any property of any Loan Party which has a value in excess of $100,000 in the aggregate; or

(j) Filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in paragraphs (f), (g), (h) or (i) above in this Section; or

(k) (i) Any Loan Party shall incur any liability in connection with any Prohibited Transaction involving any Plan, (ii) any failure to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA), whether or not waived, shall occur with respect to any Single Employer Plan or any Lien in favor of the PBGC or a Plan shall arise on the assets of any Loan Party, (iii) any Single Employer Plan shall be determined to be in "at risk" status (within the meaning of Section 430 of the Code or Section 303 of ERISA); (iv) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate any Single Employer Plan, which Reportable Event or commencement of proceedings or appointment of a trustee is, in the reasonable opinion of the Required Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, (v) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, (vi) any Loan Party shall, or in the reasonable opinion of the Required Lenders is likely to, incur any liability as a result of a withdrawal from, or the Insolvency or Reorganization of, a Multiemployer Plan, or any such Multiemployer Plan shall be determined to be in "endangered" or "critical" status (within the meaning of Section 432 of the Code or Section 305 of ERISA); or (vii) any other event or condition (other than one which would not reasonably be expected to result in a violation of any applicable law or of the qualification requirements of the Code) shall occur or exist with respect to a Plan or a Commonly Controlled Plan; and in each case in clauses (i) through (vii) above, such event or condition, together with all other such events or conditions, if any, would reasonably be expected to result in a direct obligation of any Loan Party to pay money that would have a Material Adverse Effect; or

(l) One or more judgments or decrees required to be satisfied as an administrative expense claim shall be entered after the Petition Date against any Loan Party involving, for the Loan Parties taken as a whole, a liability (to the extent not paid or covered by insurance or effective indemnity) of $100,000 or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof; or

(m) Any proceeding shall be commenced by any Loan Party seeking, or otherwise consenting to, (i) the invalidation, subordination or other challenging of the Superpriority Claims and Liens granted to secure the Obligations or (ii) any relief under Section 506(c) of the Bankruptcy Code with respect to any Collateral; or

(n) The Orders shall cease, for any reason (other than by reason of the express release thereof pursuant to Section 12.15), to be in full force and effect in any material respect, or any Loan Party shall so assert in writing, or any Liens or Superpriority Claims created by the Orders shall cease in any material respect to be enforceable and of the same effect and priority purported to be created thereby (with respect to any significant portion of the Collateral and other than by reason of the express release thereof pursuant to Section 12.15), or any Loan Party shall so assert in writing; or

(o) The Debtors shall not have filed the Plan of Reorganization and the Disclosure statement with the Bankruptcy Court on or before 30 days following the Petition Date; or

(p) The Bankruptcy Court shall not have entered an order, in form and substance reasonably satisfactory to the Required Lenders, approving the Disclosure Statement on or before 75 days following the Petition Date; or

(q) The Bankruptcy Court shall not have entered an order, in form and substance reasonably satisfactory to the Required Lenders, confirming the Plan of Reorganization on or before 125 days following the Petition Date; or

(r) The Effective Date shall not have occurred on or before 135 days after the Petition Date; or

(s) Filing of any plan of reorganization that is materially inconsistent with the Plan of Reorganization;

then, and in any such event, the Administrative Agent may, and, at the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower (with a copy to the Prepetition First Lien Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee), take one or more of the following actions, at the same or different times (provided that with respect to clause (iii) or (iv) below and the enforcement of Liens or other remedies with respect to the Collateral under clause (v) below, the Administrative Agent shall provide the Borrower (with a copy to the Prepetition First Lien Agent, counsel for any statutory committee appointed in the Cases and to the United States Trustee) with five Business Days' written notice prior to taking the action contemplated thereby): (i) terminate forthwith the Commitments; (ii) declare the Loans then outstanding to be forthwith due and payable, whereupon the principal of the Loans, any L/C Obligations constituting then drawn and unreimbursed Letters of Credit, together with accrued interest thereon and any unpaid accrued fees and all other Obligations of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind (except as provided in the Loan Documents and the Orders), all of which are hereby expressly waived by the Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding; (iii) require the Loan Parties upon demand to forthwith deposit in a Cash Collateral account cash in an amount such that the aggregate amount on deposit in such Cash Collateral account is equal to 105% of the face amount of each outstanding and undrawn Letter of Credit and, to the extent the Borrower shall fail to furnish such funds as demanded by the Administrative Agent, the Administrative Agent shall be authorized to debit the accounts of the Loan Parties maintained with the Administrative Agent in such amount for the deposit of such amounts in the Cash Collateral account; (iv) subject to the Interim Order

(or the Final Order, as applicable), set-off amounts in the Cash Collateral account, or any other accounts of the Loan Parties and apply such amounts to the Obligations of the Loan Parties hereunder and under the other Loan Documents in accordance with Section 11.3; and (v) exercise any and all remedies under this Agreement, the Orders, and applicable law available to the Administrative Agent and the Lenders.

SECTION 9. THE ADMINISTRATIVE AGENT

9.1 Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the other Loan Documents, or 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 the Administrative Agent.

9.2 Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys in-fact selected by it with reasonable care.

9.3 Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction (or a settlement tantamount thereto) to have resulted from its or any such Person's gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party a party thereto to perform its obligations hereunder or thereunder. The Administrative Agent shall not be under any obligation to any Lender 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 properties, books or records of any Loan Party.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order 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 Holdings or the Borrower), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or

concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility) as it deems appropriate or it shall first be indemnified to its 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 any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless it has received notice from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders or the Majority Facility Lenders in respect of any Facility); provided that unless and until the Administrative Agent shall have received such directions, the Administrative 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 in the best interests of the Lenders.

9.6 Non-Reliance on Administrative Agent and Other Lenders; Representations. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent 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 analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any affiliate of a Loan Party that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates. Each Lender represents to each other party hereto that it is a bank, savings and loan association or other similar savings institution, insurance company, investment fund or company or other financial institution which makes or acquires commercial loans in the ordinary course of its business, that it is participating hereunder as a Lender for such commercial purposes, and that it has the knowledge and experience to be and is capable of evaluating the merits and risks of being a Lender hereunder.

9.7 Indemnification. The Lenders agree to indemnify the Administrative Agent in its capacity as such (to the extent not reimbursed by the Borrower and without limiting the obligation of the

Borrower to do so), ratably according to their respective Aggregate Exposure Percentages in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Aggregate Exposure Percentages immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. The Administrative Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though the Administrative Agent were not the Administrative Agent. With respect to its Loans made or renewed by it and with respect to any Letter of Credit issued or participated in by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not the Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity.

9.9 Successor Administrative Agent. The Administrative Agent may resign as Administrative Agent, as applicable, upon 30 days' notice to the Lenders and the Borrower effective upon appointment of a successor Administrative Agent. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint from among the Lenders a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval, and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor Administrative Agent shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent that shall be a bank that has an office in New York, New York with a combined capital and surplus of at least $500,000,000. After any retiring Administrative Agent's resignation as Administrative Agent the provisions of this Section 9 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

9.10 Authorization to Release Liens and Guarantees. The Administrative Agent is hereby irrevocably authorized by each of the Lenders to effect any release of Liens or Guarantee Obligations contemplated by Section 12.15.

SECTION 10. GUARANTEE

10.1 Guarantee.

(a) Each of the Guarantors hereby, jointly and severally, unconditionally and irrevocably, guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns permitted hereunder, the prompt and complete payment and performance by the Borrower when due (whether at the stated maturity, by acceleration or otherwise) of the Obligations;

(b) Anything herein or in any other Loan Document to the contrary notwithstanding, the maximum liability of each Guarantor under this Section 10.1 and under the other Loan Documents shall in no event exceed the amount which is permitted under applicable federal and state laws relating to the insolvency of debtors.

(c) Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing the guarantee contained in this Section 10 or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(d) The guarantee contained in this Section 10 shall remain in full force and effect until all the Obligations and the obligations of each Guarantor under the guarantee contained in this Section 10 shall have been satisfied by payment in full in cash, no Letter of Credit (that is not cash collateralized pursuant to the terms hereof) shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Agreement the Borrower may be free from any Obligations.

(e) No payment (other than payment in full in cash) made by the Borrower, any of the Guarantors, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from the Borrower, any of the Guarantors, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder which shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Obligations are paid in full in cash, no Letter of Credit (that is not cash collateralized pursuant to the terms hereof) shall be outstanding and the Commitments are terminated.

10.2 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 10.3. The provisions of this Section 10.2 shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the Lenders, and each Guarantor shall remain liable to the Administrative Agent and the Lenders for the full amount guaranteed by such Guarantor hereunder.

10.3 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by the Administrative Agent or any Lender, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from the Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder, until all amounts owing to the

Administrative Agent and the Lenders by the Borrower on account of the Obligations are paid in full in cash, no Letter of Credit (that is not cash collateralized pursuant to the terms hereof) shall be outstanding and the Commitments are terminated. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time when all of the Obligations shall not have been paid in full in cash, such amount shall be held by such Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to the Administrative Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

10.4 Amendments, etc. with respect to the Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Obligations continued, and the Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and the other Loan Documents and any other documents executed and delivered in connection herewith or therewith may be amended, modified, supplemented or terminated, in whole or in part, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Obligations or for the guarantee contained in this Section 10 or any property subject thereto.

10.5 Guarantee Absolute and Unconditional. Each Guarantor waives any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 10 or acceptance of the guarantee contained in this Section 10; the Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 10; and all dealings between the Borrower and any of the Guarantors, on the one hand, with respect to the Loan Documents and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 10. Each Guarantor waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Borrower or any of the Guarantors with respect to the Obligations. Each Guarantor understands and agrees that the guarantee contained in this Section 10 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement or any other Loan Document, any of the Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by the Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (other than a defense of payment or performance) (with or without notice to or knowledge of the Borrower or such Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Borrower for the Obligations, or of such Guarantor under the guarantee contained in this Section 10, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue

such rights and remedies as it may have against the Borrower, any other Guarantor, or any other Person or against any collateral security or guarantee for the Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from the Borrower, any other Guarantor, or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of the Borrower, any other Guarantor, or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against any Guarantor. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

10.6 Reinstatement. The guarantee contained in this Section 10 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Loan Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

10.7 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in Dollars at the Funding Office.

SECTION 11. REMEDIES; APPLICATION OF PROCEEDS

11.1 Remedies; Obtaining the Collateral Upon Default. Upon the occurrence and during the continuance of an Event of Default (and after notice of such Event of Default, if required), to the extent any such action is not inconsistent with the Interim Order (or the Final Order, as applicable) or Section 8, the Administrative Agent, in addition to any rights now or hereafter existing under applicable law, and without application to or order of the Bankruptcy Court, shall have all rights as a secured creditor under the Uniform Commercial Code in all relevant jurisdictions and may:

(a) personally, or by agents or attorneys, immediately retake possession of the Collateral or any part thereof, from the Borrower, any Guarantor, or any other Person who then has possession of any part thereof with or without notice or process of law (but subject to any Requirements of Law), and for that purpose may enter upon the Borrower's, or any Guarantor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of the Borrower, or such Guarantor;

(b) instruct the obligor or obligors on any agreements, instrument or other obligation constituting the Collateral to make any payment required by the terms of such instrument or agreement directly to any Cash Collateral account;

(c) sell, assign or otherwise liquidate, or direct any Loan Party to sell, assign or otherwise liquidate, any or all of the Collateral or any part thereof in accordance with Section 11.2, and take possession of the proceeds of any such sale, assignment or liquidation; and

(d) take possession of the Collateral or any part thereof, by directing the Borrower and any Guarantor in writing to deliver the same to the Administrative Agent at any place or places designated by the Administrative Agent, in which event the Borrower and such Guarantor shall at its own expense:

(i) forthwith cause the same to be moved to the place or places so designated by the Administrative Agent and there delivered to the Administrative Agent,

(ii) store and keep any Collateral so delivered to the Administrative Agent at such place or places pending further action by the Administrative Agent as provided in Section 11.2, and

(iii) while the Collateral shall be so stored and kept, provide such guards and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition;

it being understood that the Borrower's and each Guarantor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to the Bankruptcy Court, the Administrative Agent shall be entitled to a decree requiring specific performance by the Borrower or such Guarantor of such obligation.

11.2 Remedies; Disposition of the Collateral. Upon the occurrence and during the continuance of an Event of Default, and to the extent not inconsistent with the Interim Order (or the Final Order, as applicable) or Section 8, without application to or order of the Bankruptcy Court, any Collateral repossessed by the Administrative Agent under or pursuant to Section 11.1 or the Interim Order (or the Final Order, as applicable) or otherwise, and any other Collateral whether or not so repossessed by the Administrative Agent, may be sold, assigned, leased or otherwise disposed of under one or more contracts or as an entirety, and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner, at such time or times, at such place or places and on commercially reasonable terms, in compliance with any Requirements of Law. Any of the Collateral may be sold, leased or otherwise disposed of, in the condition in which the same existed when taken by the Administrative Agent or after any overhaul or repair which the Administrative Agent shall determine to be commercially reasonable. Any such disposition which shall be a private sale or other private proceeding permitted by applicable Requirements of Law shall be made upon not less than 10 days' written notice to the Borrower specifying the time at which such disposition is to be made and the intended sale price or other consideration therefor, and shall be subject, for the 10 days after the giving of such notice, to the right of the Borrower or any nominee of the Borrower to acquire the Collateral involved at a price or for such other consideration at least equal to the intended sale price or other consideration so specified. Any such disposition which shall be a public sale permitted by applicable Requirements of Law shall be made upon not less than 10 days' written notice to the Borrower specifying the time and place of such sale and, in the absence of applicable Requirement of Law, shall be by public auction (which may, at the Administrative Agent's option, be subject to reserve), after publication of notice of such auction not less than 10 days prior thereto in USA Today and The Wall Street Journal, National Edition. Subject to Section 11.4, to the extent permitted by any such Requirement of Law, the Administrative Agent on behalf of the Lenders or any Lender may bid for and become the purchaser of the Collateral or any item thereof, offered for sale in accordance with this subsection 11.2 without accountability to the Borrower, any Guarantor or the Prepetition Secured Parties (except to the extent of surplus money received). If, under mandatory Requirements of Law, the Administrative Agent shall be required to make disposition of the Collateral within a period of time which does not permit the giving of notice to the Borrower as hereinabove specified, the Administrative Agent need give the Borrower only such notice of disposition as shall be reasonably practicable.

11.3 Application of Proceeds. ii) Notwithstanding anything to the contrary contained in this Agreement or any other Loan Document, (i) if the Administrative Agent takes action under Section 8 upon the occurrence and during the continuance of an Event of Default, any payment by any Loan Party on account of principal of and interest on the Loans and any proceeds arising out of any realization

(including after foreclosure) upon the Collateral shall be applied as follows: first, to the payment of professional fees pursuant to the Carve-Out, second, to the payment in full of all costs and out-of-pocket expenses (including without limitation, reasonable attorneys' fees and disbursements) paid or incurred by the Administrative Agent or any of the Lenders in connection with any such realization upon the Collateral, third, pro rata in accordance with each Lender's Revolving Percentage or Term Percentage, to the payment in full of the Loans (including any accrued and unpaid interest thereon, and any fees and other Obligations in respect thereof) with a permanent reduction of the Revolving Commitments, fourth, to the payment of Reimbursement Obligations then outstanding and interest thereon, fifth, to the cash collateralization of outstanding Letters of Credit by depositing cash into a cash collateral account such that the aggregate amount on deposit in such cash collateral account is equal to 105% of the face amount of all such Letters of Credit in the manner set forth in Section 8, and sixth, subject to an order of the Bankruptcy Court, to the payment in full of the Prepetition First Lien Obligations, and (ii) any payments or distributions of any kind or character, whether in cash, property or securities, made by any Loan Party or otherwise in a manner inconsistent with clause (i) of this Section 11.3(a) shall be held in trust and paid over or delivered to the Administrative Agent so that the priorities and requirements set forth in such clause (i) are satisfied.

(a) It is understood that the Loan Parties shall remain liable to the extent of any deficiency between the amount of the proceeds of the Collateral and the amount of the Obligations.

11.4 WAIVER OF CLAIMS. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, THE BORROWER, HOLDING AND THE GUARANTORS HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW:

(a) NOTICE AND JUDICIAL HEARING IN CONNECTION WITH THE ADMINISTRATIVE AGENT'S TAKING POSSESSION OR THE ADMINISTRATIVE AGENT'S DISPOSITION OF ANY OF THE COLLATERAL, INCLUDING WITHOUT LIMITATION, ANY AND ALL PRIOR NOTICE AND HEARING FOR ANY PREJUDGMENT REMEDY OR REMEDIES AND ANY SUCH RIGHT WHICH THE BORROWER, HOLDING OR ANY GUARANTOR WOULD OTHERWISE HAVE UNDER ANY REQUIREMENT OF LAW;

(b) ALL DAMAGES OCCASIONED BY SUCH TAKING OF POSSESSION EXCEPT ANY DAMAGES WHICH ARE THE DIRECT RESULT OF THE ADMINISTRATIVE AGENT'S OR ANY LENDER'S BAD FAITH, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT;

(c) ALL OTHER REQUIREMENTS TO THE TIME, PLACE ÂND TERMS OF SALE OR OTHER REQUIREMENTS WITH RESPECT TO THE ENFORCEMENT OF THE ADMINISTRATIVE AGENT'S RIGHTS HEREUNDER; AND

(d) ALL RIGHTS OF REDEMPTION, APPRAISEMENT, STAY, EXTENSION OR MORATORIUM NOW OR HEREAFTER IN FORCE UNDER ANY APPLICABLE LAW IN ORDER TO PREVENT OR DELAY THE ENFORCEMENT OF THIS AGREEMENT OR THE ABSOLUTE SALE OF THE COLLATERAL OR ANY PORTION THEREOF, AND EACH LOAN PARTY, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, INSOFAR AS IT OR THEY NOW OR HEREAFTER LAWFULLY MAY, HEREBY WAIVES THE BENEFIT OF ALL SUCH LAWS.

11.5 Remedies Cumulative. Each and every right, power and remedy hereby specifically given to the Administrative Agent and the Lenders shall be in addition to every other right, power and remedy specifically given under this Agreement, the Orders or the other Loan Documents or

now or hereafter existing at law or in equity, or by statute and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time or simultaneously and as often and in such order as may be deemed expedient by the Administrative Agent or any Lender. All such rights, powers and remedies shall be cumulative and the exercise or the beginning of exercise of one shall not be deemed a waiver of the right to exercise of any other or others. No delay or omission of the Administrative Agent or any Lender in the exercise of any such right, power or remedy and no renewal or extension of any of the Obligations shall impair any such right, power or remedy or shall be construed to be a waiver of any Default or Event of Default or an acquiescence therein. In the event that the Administrative Agent shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Administrative Agent may recover reasonable expenses, including reasonable attorneys' fees, and the amounts thereof shall be included in such judgment.

11.6 Discontinuance of Proceedings. In case the Administrative Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Administrative Agent, then and in every such case the Borrower, the Administrative Agent and each holder of any of the Obligations shall be restored to their former positions and rights hereunder with respect to the Collateral subject to the Liens granted under this Agreement and the Final Order, and all rights, remedies and powers of the Administrative Agent and the Lenders shall continue as if no such proceeding had been instituted.MISCELLANEOUS

12.1 Amendments and Waivers. Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 12.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (a) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights or obligations of the Administrative Agent, the Issuing Lenders, the Lenders or of the Loan Parties hereunder or thereunder or (b) waive, on such terms and conditions as the Required Lenders or the Administrative Agent may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (i) forgive or reduce the principal amount or extend the final scheduled date of maturity of any Loan, reduce the stated rate of any interest or fee payable hereunder (except in connection with the waiver of applicability of any post-default increase in interest rates (which waiver shall be effective (x) as to the Revolving Facility, with the consent of the Majority Revolving Facility Lenders and (y) as to the Term Facility, with the consent of the Majority Term Facility Lenders)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment, in each case without the written consent of each Lender directly and adversely affected thereby (provided that the Maturity Date may be extended up to an additional 90 days with the consent of the Supermajority Lenders); (ii) eliminate or reduce the voting rights of any Lender under this Section 12.1 without the written consent of such Lender; (iii) increase the aggregate amount of the Commitments by more than $4,000,000 during the term of this Agreement (or otherwise provide for facilities under this Agreement in an aggregate amount in excess of $44,000,000), subordinate the Superpriority Claims or Liens granted to the Lenders pursuant to the Orders, reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Guarantors from their obligations under this Agreement, in each case without the written consent of all Lenders; (iv) amend, modify or waive any provision of paragraph (a), (b) or (c) of Section 2.18

without the written consent of the Majority Facility Lenders in respect of each Facility adversely affected thereby (but without, in the case of this clause (iv), the additional consent of the Required Lenders); (v) reduce the percentage specified in the definition of Majority Facility Lenders with respect to any Facility without the written consent of all Lenders under such Facility (but without, in the case of this clause (v), the additional consent of the Required Lenders); (vi) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (vii) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lenders; (viii) amend, modify or waive any condition precedent to any Revolving Extension of Credit set forth in Section 5.2 (including the waiver of an existing Default or Event of Default required to be waived in order for such Revolving Extension of Credit to be made), without the consent of the Majority Revolving Facility Lenders or (ix) increase the aggregate amount of the Commitments by an amount of up to $4,000,000 during the term of this Agreement (or otherwise provide for facilities under this Agreement in an aggregate amount in excess of $40,000,000), without the consent of the Supermajority Lenders. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent shall be restored to their former position and rights hereunder and under the other Loan Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing unless limited by the terms of such waiver; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Notwithstanding the foregoing, any amendment or modification of defined terms used in the financial covenants in this Agreement shall require the consent only of the Borrower and the Required Lenders.

12.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received, addressed as follows in the case of the Borrower, the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

The Borrower:	Oriental Trading Company, Inc. 5455 South 90th Street Omaha, Nebraska 68127 Attention: Telecopy:
With a copy to:	Debevoise & Plimpton LLP 919 Third Avenue New York, New York 10022 Attention: Richard Hahn, Esq. Telecopy: (212) 909-6836 Telephone: (212) 909-6000
Administrative Agent:	JPMorgan Chase Bank, N.A. 1111 Fannin Street, Floor 10 Houston, Texas 77002-6925 Attention: Jide Williams Telecopy: (713) 750-2938 Telephone: (713) 427-6530

With a copy to: JPMorgan Chase Bank, N.A.
270 Park Avenue, 4th Floor
New York, New York 10017
Attention: Charles Freedgood
Telecopy: (212) 622-4557
Telephone: (212) 622-4513

provided that any notice, request or demand to or upon the Administrative Agent, the Lenders or the Borrower shall not be effective until received.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

12.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

12.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Loan Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder.

12.5 Payment of Expenses; Indemnification. The Borrower agrees (a) to pay or reimburse the Administrative Agent and the Lead Arranger for all of their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the arrangement of the Facilities and the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including without limitation, the reasonable fees and disbursements of counsel and any financial advisor or third party consultants or appraisers to and of the Administrative Agent and the Lead Arranger, (b) to pay or reimburse each Lender party to this Agreement on the Closing Date for all of their respective reasonable and documented out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the other Loan Documents and any other documents prepared in connection herewith or therewith, and the consummation and administration of the transactions contemplated hereby and thereby, including without limitation, the reasonable fees and disbursements of counsel to such Lender, (c) to pay or reimburse each Lender, each Issuing Lender and the Administrative Agent for all their reasonable and documented out-of-pocket costs and expenses incurred in connection with the enforcement of any rights under this Agreement, the other Loan Documents and any such other documents, including, without limitation, the reasonable and documented fees and disbursements of counsel (including the allocated fees and expenses of in-house counsel) to each Lender and of counsel and any financial advisor or third party consultants or appraisers to and of the Administrative Agent, (d) to

pay, indemnify, or reimburse each Lender, each Issuing Lender, the Lead Arranger and the Administrative Agent for, and hold each Lender, each Issuing Lender, the Lead Arranger and the Administrative Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, Other Taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Loan Documents and any such other documents and (e) to pay, indemnify or reimburse each Lender, the Administrative Agent, their respective affiliates, and their respective officers, directors, trustees, employees, advisors, agents and controlling Persons (each, an "Indemnitee") for, and hold each Indemnitee harmless from and against any and all other reasonable out-of-pocket costs and expenses, liabilities, obligations, losses, damages, penalties or disbursements arising out of any actions, judgments or suits of any kind or nature whatsoever, arising out of or in connection with any claim, action or proceeding relating to or otherwise with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Loan Documents and any such other documents, including, without limitation, any of the foregoing relating to the use of proceeds of the Loans or the violation of, noncompliance with or liability under, any Environmental Law applicable to the operations of the Borrower, any of its Subsidiaries or any of the Properties including the reasonable fees and expenses of a single firm and, if necessary and reasonably requested by the relevant Indemnitees and by approved by the Borrower, one local counsel per jurisdiction, for all Indemnitees, unless a conflict exists, in which case, reasonable and documented fees and expenses of reasonably necessary additional counsel for the affected Indemnitees shall be covered (all the foregoing in this clause (e), collectively, the "Indemnified Liabilities"), provided, that the Borrower shall have no obligation hereunder to any Indemnitee with respect to Indemnified Liabilities to the extent such Indemnified Liabilities are found by a court of competent jurisdiction (or a settlement tantamount thereto) to have resulted from the gross negligence, bad faith or willful misconduct of, or breach of this Agreement by, such Indemnitee or its Related Persons. For purposes hereof, a "Related Person" of an Indemnitee means (i) if the Indemnitee is the Administrative Agent or any of its affiliates or their respective officers, directors, trustees, employees, advisors, agents and controlling Persons, any of the Administrative Agent and its affiliates and their respective officers, directors, trustees, employees, advisors, agents and controlling Persons, and (ii) if the Indemnitee is any Lender or any of its affiliates or their respective officers, directors, trustees, employees, advisors, agents and controlling Persons, any of such Lender and its affiliates and their respective officers, directors, trustees, employees, advisors, agents and controlling Persons. All amounts due under this Section 12.5 shall be payable promptly after receipt of a reasonably detailed invoice therefor. Statements payable by the Borrower pursuant to this Section shall be submitted to the Borrower at the address thereof set forth in Section 12.2, or to such other Person or address as may be hereafter designated by the Borrower in a written notice to the Administrative Agent. The agreements in this Section 12.5 shall survive repayment of the Obligations.

12.6 Successors and Assigns; Participations and Assignments. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any affiliate of any Issuing Lender that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may, in compliance with applicable law, assign to one or more assignees (each, an "Assignee"), but in any event not to any competitor of the Borrower or any of its Subsidiaries (or any affiliate of such competitor), all or a portion of its rights and obligations under this Agreement (including all or a portion

of its Commitments and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment to a Lender, an affiliate of a Lender, or an Approved Fund (as defined below); and

(B) in the case of an assignment under the Revolving Facility, each Issuing Lender.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender, an affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans under any Facility, the amount of the Commitments or Loans of the assigning Lender subject to each such assignment (determined as of (I) the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or (II) if earlier, the "trade date" (if any) specified in such Assignment and Assumption) shall not be less than $1,000,000, unless the Administrative Agent otherwise consents, provided that such amounts shall be aggregated in respect of each Lender and its affiliates or Approved Funds, if any;

(B) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that only one such fee shall be payable in the case of contemporaneous assignments to or by two or more related Approved Funds;

(C) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an administrative questionnaire; and

(D) without the prior written consent of the Administrative Agent, no assignment shall be made to a prospective Assignee that bears a relationship to any Loan Party described in Section 108(e)(4) of the Code.

For the purposes of this Section 12.6, "Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c)(i) an entity or an Affiliate of an entity that administers or manages a Lender or (ii) an entity or an Affiliate of an entity that is the investment advisor to a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Assumption the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be subject to the obligations under and entitled to the benefits of Sections 2.19, 2.20, 2.21 and 12.5). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.6 shall be treated for purposes of this Agreement as a sale by such

Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section (and will be required to comply therewith).

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest thereon) of the Loans and L/C Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The Borrower, the Administrative Agent, the Issuing Lenders and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement (and the entries in the Register shall be conclusive absent manifest error for such purposes), notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, the Issuing Lenders and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an Assignee, the Assignee's completed administrative questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, in compliance with applicable law, sell participations to one or more banks or other entities (a "Participant"), but in any event not to any competitor of the Borrower or any of its Subsidiaries (or any affiliate of any such competitor), in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the Borrower, the Administrative Agent, the Issuing Lenders and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (D) without the prior written consent of the Administrative Agent, no participation shall be sold to a prospective Participant that bears a relationship to any Loan Party described in Section 108(e)(4) of the Code. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of all Lenders or each Lender directly and adversely affected thereby pursuant to the proviso to the second sentence of Section 12.1 and (2) directly affects such Participant. Subject to paragraph (c)(ii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (and shall have related obligations thereunder) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. Each Lender that sells a participation, acting solely for this purpose as an agent of the Borrower, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any any Loan Document) except to the extent that

such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Lender, each Loan Party and the Administrative Agent shall treat each person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.19, 2.20 or 2.21 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent to such greater amounts. No Participant shall be entitled to the benefits of Section 2.20 unless, at the time such Participant is claiming the benefits, such Participant has complied with Section 2.20(d) or (e), as (and to the extent) applicable, as if such Participant were a Lender.

(d) Any Lender may, without the consent of the Administrative Agent or the Borrower, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided, that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

(f) No assignment or participation made or purported to be made to any Assignee or Participant shall be effective without the prior written consent of the Borrower if it would require the Borrower to make any filing with any Governmental Authority or qualify any Loan or Note under the laws of any jurisdiction, and the Borrower shall be entitled to request and receive such information and assurances as it may reasonably request from any Lender or any Assignee or Participant to determine whether any such filing or qualification is required or whether any assignment or participation is otherwise in accordance with applicable law.

12.7 Adjustments; Set-off. (a) Except to the extent that this Agreement provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a "Benefited Lender") shall at any time receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by setoff, or otherwise) in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Obligations, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Obligations, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided, however, that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) Subject to (i) the Carve-Out, (ii) the Interim Order (or the Final Order, as applicable) and (iii) after giving of the notice described in Section 8, notwithstanding the provisions of Section 362 of the Bankruptcy Code, in addition to any rights and remedies of the Lenders provided by

law, each Lender shall have the right, without prior notice to the Borrower, any such notice being expressly waived by the Borrower to the extent permitted by applicable law, upon any amount becoming due and payable by the Borrower hereunder (whether at the stated maturity, by acceleration or otherwise) after the expiration of any cure or grace periods, to set off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final but excluding trust accounts), in any currency, and any other credits, indebtedness or claims, in any currency, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of the Borrower. Each Lender agrees promptly to notify the Borrower and the Administrative Agent after any such setoff and application made by such Lender, provided, that the failure to give such notice shall not affect the validity of such setoff and application.

12.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Agreement by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

12.9 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.10 Integration. This Agreement and the other Loan Documents represent the entire agreement of the Borrower, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof.

12.11 **GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, AND TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.**

12.12 Submission To Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its Property in any legal action or proceeding relating to this Agreement and the other Loan Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Bankruptcy Court and, if the Bankruptcy Court does not have (or abstains from) jurisdiction, to the non-exclusive general jurisdiction of any State or Federal court of competent jurisdiction sitting in New York County, New York;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of

mail), postage prepaid, to it at its address set forth in Section 12.2 or at such other address of which the Administrative Agent shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

12.13 Acknowledgments. The Borrower hereby acknowledges that:

(a) it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Loan Documents;

(b) neither the Administrative Agent nor any Lender has any fiduciary relationship with or duty to the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between Administrative Agent and Lenders, on one hand, and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Borrower and the Lenders.

12.14 Confidentiality. The Administrative Agent and the Lenders agree to treat any and all information, regardless of the medium or form of communication, that is disclosed, provided or furnished, directly or indirectly, by or on behalf of the Borrower or any of its affiliates, the Administrative Agent, or their respective advisors whether in writing, orally, by observation or otherwise and whether furnished before or after the Closing Date ("Confidential Information"), strictly confidential and not to use Confidential Information for any purpose other than evaluating, negotiating, making available, syndicating and administering the Credit Agreement (the "Agreed Purposes"). Without limiting the foregoing, the Administrative Agent and each Lender agrees to treat any and all Confidential Information with no less than adequate means to preserve its confidentiality, and the Administrative Agent and each Lender agrees not to disclose Confidential Information, at any time, in any manner whatsoever, directly or indirectly, to any other Person whomsoever, except (1) to its directors, officers, employees, counsel, trustees and other representatives (collectively, the "Representatives") and its Affiliates, to the extent necessary to permit such Representatives or its Affiliates to assist in connection with the Agreed Purposes (it being understood that the Representatives to whom such disclosure is made will be informed of the confidential nature of such Confidential Information and instructed to keep such Confidential Information confidential), (2) to prospective Lenders and participants in connection with the syndication (including secondary trading) of the Facilities and Commitments and Loans hereunder or to any direct, indirect, actual or prospective counterparty (and its advisor) to any swap, derivative or securitization transaction related to the obligations under this Agreement, in each case who are informed of the confidential nature of the information and agree to observe and be bound by standard confidentiality terms, (3) upon the request or demand of any Governmental Authority having jurisdiction over it, (4) in response to any order of any Governmental Authority or as may otherwise be required pursuant to any Requirement of Law, (5) to the extent reasonably required or necessary, in connection with the Cases, any litigation or similar proceeding relating to the Facilities, (6) that has been publicly disclosed other than in breach of this Section 12.14, (7) to the National Association of Insurance Commissioners or any similar organization or any nationally recognized rating agency that requires access to information about a Lender's investment

portfolio in connection with ratings issued with respect to such Lender or (8) to the extent reasonably required or necessary, in connection with the exercise of any remedy under the Loan Documents. The Administrative Agent and each Lender acknowledges that (i) Confidential Information includes information that is not otherwise publicly available and that such non-public information may constitute confidential business information which is proprietary to the Borrower and (ii) the Borrower has advised the Administrative Agent and the Lenders that it is relying on the Confidential Information for its success and would not disclose the Confidential Information to the Administrative Agent and the Lenders without the confidentiality provisions of this Agreement.

EACH LENDER ACKNOWLEDGES THAT CONFIDENTIAL INFORMATION AS DEFINED IN SECTION 12.14 FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS AFFILIATES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE BORROWER, THE OTHER LOAN PARTIES AND THEIR AFFILIATES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE DELIVERED TO THE ADMINISTRATIVE AGENT A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

12.15 Release of Collateral and Guarantee Obligations. (a) Notwithstanding anything to the contrary contained herein or in any other Loan Document, upon request of the Borrower in connection with any Disposition of Property permitted by the Loan Documents, the Administrative Agent shall (notwithstanding any contingent or indemnification obligations hereunder not then due) take such actions as shall be required to release its security interest in any Collateral being Disposed of in such Disposition, and to release any Guarantee Obligations under any Loan Document of any Person being Disposed of in such Disposition, to the extent necessary to permit consummation of such Disposition in accordance with the Loan Documents. Any representation, warranty or covenant contained in any Loan Document relating to any such Property so Disposed of (other than Property Disposed of to any Group Member) shall no longer be deemed to be repeated once such Property is so Disposed of.

(b) Notwithstanding anything to the contrary contained herein or any other Loan Document, when all the Obligations (other than any contingent or indemnification obligations not then due) have been paid in full in cash, all Commitments have terminated or expired and no Letter of Credit shall be outstanding, upon request of the Borrower, the Administrative Agent shall take such actions as shall be required to release its security interest in all Collateral, and to release all Guarantee Obligations under any Loan Document. Any such release of Guarantee Obligations shall be deemed subject to the provision that such Guarantee Obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or

conservator of, or trustee or similar officer for, the Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payment had not been made.

12.16 Absence of Prejudice to the Prepetition Lenders with Respect to Matters Before the Bankruptcy Court. No Loan Party will without the express consent of the Administrative Agent (a) mention in any pleading or argument before the Bankruptcy Court in support of, or in any way relating to, a position that Bankruptcy Court authorization should be granted on the ground that such authorization is permitted by this Agreement (unless a Person opposing any such pleading or argument relies on this Agreement to assert or question the propriety of such) or (b) in any way attempt to support a position before the Bankruptcy Court based on the provisions of this Agreement. The fact that the Administrative Agent or any Lender may be party to the Prepetition First Lien Credit Agreement shall in no way prejudice its rights under, or in respect of, any of the Prepetition First Lien Credit Agreement or hereunder, and the Administrative Agent or any such Lender shall be free to bring, oppose or support any matter before the Bankruptcy Court no matter how treated in this Agreement.

12.17 **WAIVERS OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.**

12.18 USA PATRIOT ACT. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Publ. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

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

BORROWER:

ORIENTAL TRADING COMPANY, INC.

By: _____
Name:
Title:

GUARANTORS:

OTC HOLDINGS CORPORATION

By: _____
Name:
Title:

OTC INVESTORS CORPORATION

By: _____
Name:
Title:

FUN EXPRESS, INC.

By: _____
Name:
Title:

ORIENTAL TRADING MARKETING, INC. (f/k/a FLAMINGO BRANDS, INC.)

By: _____
Name:
Title:

JPMORGAN CHASE BANK, N.A., as Administrative Agent and as Lender

By: _____
Name:
Title:

_____
(Name of Lender)

By:_____
Name:
Title:

_____
(Name of Lender)

By:_____
Name:
Title:

By:_____
Name:
Title:

EXHIBIT B

FORM OF
COMPLIANCE CERTIFICATE

This Compliance Certificate is delivered pursuant to Section 6.2(a) of the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION, ORIENTAL TRADING COMPANY, INC. (the "Borrower"), the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

1. I am the duly elected, qualified and acting [Chief Financial Officer] of the Borrower.

2. I have reviewed and am familiar with the contents of this Certificate.

3. I have reviewed the terms of the Credit Agreement and the Loan Documents and have made or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of the Borrower during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Such review did not disclose the existence during or at the end of the accounting period covered by the Financial Statements, and I have no knowledge of the existence, as of the date of this Certificate, of any condition or event which constitutes a Default or Event of Default[, except as set forth below].

4. Attached hereto as Attachment 2 are the computations showing compliance with the covenants set forth in Section 7.1 of the Credit Agreement.

IN WITNESS WHEREOF, I have executed this Certificate this _____ day of ____, 20__.

_____
Name:
Title:

Attachment 1
to Compliance Certificate

[Attach Financial Statements]

Attachment 2
to Compliance Certificate

The information described herein is as of _____, ____, and pertains to the period from _____, ____ to _____ __, ____.

[Set forth Covenant Calculations]

EXHIBIT C

FORM OF
CLOSING CERTIFICATE

Pursuant to Section 5.1(e) of the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"; unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement), among OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION, ORIENTAL TRADING COMPANY, INC., the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders, the undersigned [INSERT TITLE OF OFFICER] of [INSERT NAME OF LOAN PARTY] (the "Certifying Loan Party") hereby certifies as follows:

1. The representations and warranties of the Certifying Loan Party set forth in each of the Loan Documents to which it is a party or which are contained in any certificate furnished by or on behalf of the Certifying Loan Party pursuant to any of the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except for representations and warranties expressly stated to relate to a specific earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date.

2. _____ is the duly elected and qualified Corporate Secretary of the Certifying Loan Party and the signature set forth for such officer below is such officer's true and genuine signature.

3. No Default or Event of Default has occurred and is continuing as of the date hereof or after giving effect to the Loans to be made on the date hereof and the use of proceeds thereof. [Borrower only]

4. The conditions precedent set forth in Section 5.1 of the Credit Agreement were satisfied as of the Closing Date. [Borrower only]

The undersigned Corporate Secretary of the Certifying Loan Party certifies as follows:

5. There are no liquidation or dissolution proceedings pending or to my knowledge threatened against the Certifying Loan Party, nor has any other event occurred adversely affecting or threatening the continued corporate existence of the Certifying Loan Party.

6. The Certifying Loan Party is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its organization.

7. Attached hereto as Annex 1 is a true and complete copy of resolutions duly adopted by the Board of Directors of the Certifying Loan Party on _____; such resolutions have

not in any way been amended, modified, revoked or rescinded, have been in full force and effect since their adoption to and including the date hereof and are now in full force and effect and are the only corporate proceedings of the Certifying Loan Party now in force relating to or affecting the matters referred to therein.

8. Attached hereto as Annex 2 is a true and complete copy of the By-Laws of the Certifying Loan Party as in effect on the date hereof.

9. Attached hereto as Annex 3 is a true and complete copy of the Certificate of Incorporation of the Certifying Loan Party as in effect on the date hereof.

10. The following persons are now duly elected and qualified officers of the Certifying Loan Party holding the offices indicated next to their respective names below, and the signatures appearing opposite their respective names below are the true and genuine signatures of such officers, and each of such officers is duly authorized to execute and deliver on behalf of the Certifying Loan Party each of the Loan Documents to which it is a party and any certificate or other document to be delivered by the Certifying Loan Party pursuant to the Loan Documents to which it is a party:

Name	Office	Signature
		_____
		_____
		_____

IN WITNESS WHEREOF, the undersigned have hereunto set our names as of the date set forth below.

_____
Name:
Title:

_____
Name:
Title: Corporate Secretary

Date: August __, 2010

EXHIBIT D

FORM OF
ASSIGNMENT AND ASSUMPTION

Reference is made to the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION, ORIENTAL TRADING COMPANY, INC. (the "Borrower"), the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders (in such capacity, the "Administrative Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement with respect to those credit facilities contained in the Credit Agreement as are set forth on Schedule 1 hereto (individually, an "Assigned Facility"; collectively, the "Assigned Facilities"), in a principal amount for each Assigned Facility as set forth on Schedule 1 hereto.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Affiliates or any other obligor or the performance or observance by the Borrower, any of its Affiliates or any other obligor of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto.

3. The Assignee (a) represents and warrants that (i) it is legally authorized to enter into this Assignment and Assumption and (ii) it does not bear a relationship to any Loan Party described in Section 108(e)(4) of the Internal Revenue Code of 1986, as amended; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section [4.1][1] thereof and such other documents and information as it has

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1. The Section reference is to the Section of the representations and warranties entitled "Financial Condition."

deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any 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 the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 2.20(d) of the Credit Agreement.

4. The effective date of this Assignment and Assumption shall be the Effective Date of Assignment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Assumption, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to the Effective Date and to the Assignee for amounts which have accrued subsequent to the Effective Date.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Assumption, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Assumption, relinquish its rights and be released from its obligations under the Credit Agreement.

7. This Assignment and Assumption shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Assumption to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1
to Assignment and Assumption with respect to
the Credit and Guarantee Agreement, dated as of August __, 2010,
among OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION,
ORIENTAL TRADING COMPANY, INC. (the "Borrower"),
the other guarantors named therein, the Lenders parties thereto
and JPMORGAN CHASE BANK, N.A., as Administrative Agent

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Credit Facility Assigned	Principal Amount Assigned	Commitment Percentage Assigned
	$_____	_____._____%

[Name of Assignee]

By:_____
Title:

[Name of Assignor]

By:_____
Title:

Accepted for Recordation in the Register:

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By:_____
Title:

Required Consents (if any):

JPMORGAN CHASE BANK, N.A., as
Administrative Agent

By:_____
Title:

EXHIBIT E

FORM OF EXEMPTION CERTIFICATE

Reference is made to the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION, ORIENTAL TRADING COMPANY, INC. (the "Borrower"), the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement. _____ (the "Non-U.S. Lender") is providing this certificate pursuant to Section 2.20(d) of the Credit Agreement. The Non-U.S. Lender hereby represents and warrants that:

1. The Non-U.S. Lender is the sole record and beneficial owner of the Loans in respect of which it is providing this certificate.

2. The Non-U.S. Lender is not a "bank" for purposes of Section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"). In this regard, the Non-U.S. Lender further represents and warrants that:

(a) the Non-U.S. Lender is not subject to regulatory or other legal requirements as a bank in any jurisdiction; and

(b) the Non-U.S. Lender has not been treated as a bank for purposes of any tax, securities law or other filing or submission made to any Governmental Authority, any application made to a rating agency or qualification for any exemption from tax, securities law or other legal requirements.

3. The Non-U.S. Lender is not a 10-percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code.

4. The Non-U.S. Lender is not a controlled foreign corporation receiving interest from a related person within the meaning of Section 881(c)(3)(C) of the Code.

5. The interest payments in question are not effectively connected with the undersigned's conduct of a U.S. trade or business.

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF NON-U.S. LENDER]

By:_____
Name:
Title:

Date: _____

EXHIBIT F-1

FORM OF TERM LOAN BORROWING NOTICE

JPMorgan Chase Bank, N.A. as Administrative Agent,
1111 Fannin Street, Floor 10
Houston, TX 77002-6925
Attention: Jide Williams
Telecopy: (713) 750-2938

_____, 201_

Dear Sirs:

Reference is made to the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified and in effect on the date hereof, the "Credit Agreement"), among ORIENTAL TRADING COMPANY, INC., as Borrower, OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION and the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders. Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Loan Borrowing Notice under Section 2.2 of the Credit Agreement and the Borrower hereby requests a [Term Loan Borrowing][release of proceeds from the Term Loan Account] under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the [Term Loan Borrowing][release of proceeds from the Term Loan Account] requested hereby:

1. Aggregate principal amount of [Term Loan Borrowing][release of proceeds from the Term Loan Account]:_____

2. Date of [Term Loan Borrowing]][release of proceeds from the Term Loan Account] (which is a Business Day)[1]:_____

3. [Type of Borrowing (Eurocurrency or ABR):_____][2]

4. [Interest Period[3]:_____][4]

5. Location and number of Borrower's account to which proceeds of Borrowing are to be disbursed:_____

---

1 In the case of a Eurocurrency Borrowing, shall be at least three (3) Business Days after the date hereof.

2 Applicable to Term Loan Borrowings only.

3 Which must comply with the definition of "Interest Period" and end not later than the Maturity Date.

4 Applicable to Term Loan Borrowings only.

The Borrower hereby represents and warrants that the conditions specified in Section 5.2 of the Credit Agreement are satisfied.

Very truly yours,

ORIENTAL TRADING COMPANY, INC.

By: _____

Name:
Title:

EXHIBIT F-2

FORM OF REVOLVING LOAN BORROWING NOTICE

JPMorgan Chase Bank, N.A. as Administrative Agent,
1111 Fannin Street, Floor 10
Houston, TX 77002-6925
Attention: Jide Williams
Telecopy: (713) 750-2938

_____, 201_

Dear Sirs:

Reference is made to the Credit and Guarantee Agreement, dated as of August __, 2010 (as amended, supplemented or otherwise modified and in effect on the date hereof, the "Credit Agreement"), among ORIENTAL TRADING COMPANY, INC., as Borrower, OTC HOLDINGS CORPORATION, OTC INVESTORS CORPORATION and the other guarantors named therein, the Lenders parties thereto and JPMORGAN CHASE BANK, N.A., as administrative agent for the Lenders. Terms defined in the Credit Agreement are used herein with the same meanings. This notice constitutes a Loan Borrowing Notice under Section 2.5 of the Credit Agreement and the Borrower hereby requests a Revolving Loan Borrowing under the Credit Agreement, and in that connection the Borrower specifies the following information with respect to the Revolving Loan Borrowing requested hereby:

1. Aggregate principal amount of Revolving Loan Borrowing: _____

2. Date of Revolving Loan Borrowing (which is a Business Day)[1]: _____

3. Type of Borrowing (Eurocurrency or ABR):_____

4. Interest Period[2]:_____

5. Location and number of Borrower's account to which proceeds of Borrowing are to be disbursed:_____

---

1 In the case of a Eurocurrency Borrowing, shall be at least three (3) Business Days after the date hereof.

2 Which must comply with the definition of "Interest Period" and end not later than the Maturity Date.

The Borrower hereby represents and warrants that the conditions specified in Section 5.2 of the Credit Agreement are satisfied.

Very truly yours,

ORIENTAL TRADING COMPANY, INC.

By:

_____

Name:
Title:

EXHIBIT B

Proposed Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	**Chapter 11**
	)	
OTC HOLDINGS CORPORATION, *et al.*,	)	**Case No. 10-12636 (__)**
	)	
Debtors.	)	**Jointly Administered**
	)	

INTERIM ORDER UNDER 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) AND 507 AND BANKRUPTCY RULES 2002, 4001 AND 9014 (I) AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II) AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS AND (IV) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULES 4001(b) AND 4001(c)

Upon the motion, dated August 25, 2010 (the "Motion"), of Oriental Trading Company, Inc. (the "Borrower") and certain of its subsidiaries and affiliates, each as debtor and debtor-in-possession (collectively, the "Debtors")[1] in the above-captioned cases (the "Cases") commenced on August 25, 2010 (the "Petition Date") for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "Bankruptcy Code"), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and Rule 4001-2 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the District of Delaware (this "Court") seeking:

(I) authorization for (a) the Borrower to obtain up to $40,000,000 of postpetition financing consisting of up to $33,500,000 of term loans (the "Term Loans")

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: OTC Holdings Corporation, a Delaware corporation (0174); Oriental Trading Company, Inc., a Delaware corporation (0180); OTC Investors Corporation, a Delaware corporation (5603); Fun Express, Inc., a Nebraska corporation (7942); and Oriental Trading Marketing, Inc., a Nebraska corporation (0923). The location of the Debtors' corporate headquarters and the service address for all the Debtors is 5455 South 90th Street, Omaha, Nebraska 68127.

and up to $6,500,000 of revolving loans and letters of credit (such revolving extensions of credit, together with the Term Loans, the "DIP Loans") on the terms and conditions set forth in this interim order (this "Order") and the Credit and Guarantee Agreement (substantially in the form annexed to the Motion as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Agreement"; together with all agreements, documents and instruments executed and delivered in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Documents"), among the Borrower, the other Debtors as guarantors (the "Guarantors"), JPMorgan Chase Bank, N.A. ("JPMorgan"), as Administrative Agent (in such capacity, the "DIP Agent") for itself and a syndicate of lenders (collectively, the "DIP Lenders") comprised of certain of the First Lien Lenders (as defined in paragraph (V) below) and (b) the Guarantors to guaranty on a secured basis the Borrower's obligations in respect of the DIP Loans;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

(III) authorization to deem the approximately $1.9 million of outstanding letters of credit (the "Prepetition L/Cs") issued under the First Lien Credit Agreement (as defined in paragraph (V) below) to have been issued under the DIP Agreement;

(IV) authorization for the Debtors to use proceeds of the initial borrowing under the DIP Agreement to pay in full the $2.5 million aggregate principal amount of first priority term loans (the "LIFO Loans"), plus any accrued and unpaid interest thereon, made on August 23, 2010 by certain of the First Lien Lenders (including the

Collateral Agent for such lenders, the "LIFO Lenders") pursuant to the First Lien Credit Agreement in order to address the Debtors' immediate liquidity needs pending obtaining the DIP Loans;

(V) authorization for the Debtors to (a) use the Cash Collateral (as defined in paragraph 14 below) pursuant to section 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 4(d) below), and (b) provide adequate protection to (i) the lenders (including their affiliates which entered into secured hedge agreements with the Debtors, collectively, the "First Lien Lenders") under the First Lien Credit Agreement dated as of July 31, 2006 among the Borrower, the First Lien Lenders and JPMorgan, as administrative agent and collateral agent (in such capacity, the "First Lien Agent") for the First Lien Lenders (as amended, supplemented or otherwise modified, the "First Lien Credit Agreement"; and together with all security, pledge and guaranty agreements and all other documentation executed in connection with any of the foregoing, including without limitation, the Intercreditor Agreement (as defined in paragraph 4(h) below), each as amended, supplemented or otherwise modified, the "First Lien Documents") and; (ii) the lenders (collectively, the "Second Lien Lenders") under the Second Lien Credit Agreement dated as of July 31, 2006 among the Borrower, the Second Lien Lenders and Wilmington Trust, FSB, as successor to Wachovia Bank, National Association, as administrative agent and collateral agent (in such capacity, the "Second Lien Agent") for the Second Lien Lenders (as amended, supplemented or otherwise modified, the "Second Lien Credit Agreement"; and together with all security, pledge and guaranty agreements and all other documentation executed in connection with

the foregoing, including without limitation, the Intercreditor Agreement, each as amended, supplemented or otherwise modified, the "Second Lien Documents");

(VI) authorization for the DIP Agent to exercise remedies under the DIP Documents upon the occurrence and during the continuance of an Event of Default (as defined in the DIP Agreement);

(VII) subject to entry of the Final Order (as defined in paragraph (X) below), authorization to grant liens to the DIP Lenders on the proceeds of the Debtors' claims and causes of action (but not on the actual claims and causes of action) arising under Sections 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (collectively, the "Avoidance Actions");

(VIII) subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge against the DIP Collateral (as defined in paragraph 8 below) or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code;

(IX) to schedule, pursuant to Bankruptcy Rule 4001, an interim hearing (the "Interim Hearing") on the Motion to be held before this Court to consider entry of this Order (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Agreement up to $22,500,000 of DIP Loans (including letters of credit) to be used for working capital and general corporate purposes of the Debtors (including costs related to the Cases) and to repay in full the LIFO Obligations (as defined in paragraph 4(a) below), (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral, and (c) granting adequate protection to the First Lien Lenders and the Second Lien Lenders; and

(X) to schedule, pursuant to Bankruptcy Rule 4001, a final hearing (the "Final Hearing") for this Court to consider entry of a final order (the "Final Order") authorizing and approving on a final basis the relief requested in the Motion, including without limitation, for the Borrower to borrow the balance of the DIP Loans, for the Debtors to continue to use the Cash Collateral and the other Prepetition Collateral and for the Debtors to grant adequate protection to the First Lien Lenders and the Second Lien Lenders.

The Interim Hearing having been held by this Court on August __, 2010, and upon the record made by the Debtors at the Interim Hearing, and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction.* This Court has core jurisdiction over the Cases, the Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Notice of the Motion, the relief requested therein and the Interim Hearing was served by the Debtors on (i) their thirty largest (on a consolidated basis) unsecured creditors, (ii) the DIP Agent, (iii) the First Lien Agent, (iv) the Second Lien Agent and (v) the United States Trustee for the District of Delaware (the "U.S. Trustee"). Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein and the Interim Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001(b) and (c), and no further notice of the relief sought at the Interim Hearing is necessary or required.

3. *Approval of Motion.* The relief requested in the Motion is granted as described herein. Except as otherwise expressly provided in this Order, any objection to the entry of this

Order that has not been withdrawn, waived, resolved or settled, is hereby denied and overruled on the merits.

4. *Debtors' Stipulations.* Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraphs 21 and 22), the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, the Debtors were truly and justly indebted and liable to the LIFO Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of $2.5 million in respect of the first priority term loans made on August 23, 2010 by the LIFO Lenders pursuant to the First Lien Documents in order to address the Debtors' immediate liquidity needs pending obtaining the DIP Loans, plus accrued and unpaid interest thereon and any fees and expenses (including fees and expenses of attorneys) related thereto as provided in the First Lien Documents (collectively, the "LIFO Obligations");

(b) the liens and security interests granted to secure the LIFO Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the First Lien Credit Agreement) liens on and security interests in Prepetition Collateral (as defined in paragraph 4(d) below), (ii) not subject to avoidance recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the First Lien Documents to the extent such permitted liens are senior to the liens securing the LIFO Obligations;

(c) as of the Petition Date, the Debtors were truly and justly indebted to the First Lien Lenders, without defense, counterclaim or offset (other than any setoff rights under

any hedge agreements in accordance with their terms) of any kind, in the aggregate principal amount of not less than $403,000,000 in respect of loans made, letters of credit issued, and interest rate hedges provided, by the First Lien Lenders pursuant to the First Lien Documents, plus accrued and unpaid interest thereon, any cash management obligations owed to any First Lien Lender and consent and other fees and expenses (including fees and expenses of attorneys and advisors) as provided in the First Lien Documents (collectively, the "First Lien Obligations");

(d) the liens and security interests granted by the Debtors to the First Lien Agent (for the ratable benefit of the First Lien Lenders) to secure the First Lien Obligations are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the First Lien Credit Agreement) liens on and security interests in the personal and real property of such Debtors constituting "Collateral" under, and as defined in, the First Lien Credit Agreement (together with the Cash Collateral, the "Prepetition Collateral"), (ii) not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law and (iii) subject and subordinate only to (A) after giving effect to this Order, the Carve-Out (as defined in paragraph 7(b) below) and the liens and security interests granted to secure the DIP Loans and the First Lien Adequate Protection Obligations (as defined in paragraph 16 below), (B) prior to repayment in full of the LIFO Obligations, the liens securing the LIFO Obligations and (C) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the First Lien Documents to the extent such permitted liens are senior to the liens securing the First Lien Obligations;

(e) as of the Petition Date, the Debtors were truly and justly indebted to the Second Lien Lenders, without defense, counterclaim or offset of any kind, in the aggregate principal amount of not less than $180,000,000 in respect of loans made by the Second Lien Lenders pursuant to the Second Lien Documents, plus accrued and unpaid interest thereon and fees and expenses (including fees and expenses of attorneys and advisors) as provided in the Second Lien Documents (collectively, the "Second Lien Obligations");

(f) the liens and security interests granted to the Second Lien Agent (for the ratable benefit of the Second Lien Lenders) to secure the Second Lien Obligations are (i) valid, binding, perfected, enforceable, second priority (subject to permitted exceptions under the Second Lien Credit Agreement) liens on and security interests in Prepetition Collateral, (ii) not subject to avoidance, recharacterization or subordination (except as set forth in the Intercreditor Agreement) pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) subject and subordinate only to (A) after giving effect to this Order, the Carve-Out and the liens and security interests granted to secure the DIP Loans and the Adequate Protection Obligations (as defined in paragraph 18 below), (B) prior to repayment in full of the LIFO Obligations, liens securing the LIFO Obligations, (C) liens securing the First Lien Obligations and (D) other valid and unavoidable liens perfected prior to the Petition Date (or perfected after the Petition Date to the extent permitted by section 546(b) of the Bankruptcy Code) which are permitted under the Second Lien Documents to the extent such permitted liens are senior to the liens securing the Second Lien Obligations;

(g) (i) no portion of the LIFO Obligations, the First Lien Obligations, or except as set forth in the Intercreditor Agreement, the Second Lien Obligations shall be subject to avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or

applicable nonbankruptcy law and (ii) the Debtors do not have, and hereby forever release, any claims, counterclaims, causes of action, defenses or setoff rights (other than any setoff rights under any hedge agreements in accordance with their terms), whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the LIFO Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, and as to each of the foregoing, their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case in connection with any matter related to the LIFO Obligations, the First Lien Obligations, the First Lien Credit Agreement, the First Lien Documents or the financing and transactions contemplated thereby, the Second Lien Obligations, the Second Lien Credit Agreement, the Second Lien Documents or the financing and transactions contemplated thereby, or the Prepetition Collateral.

(h) In connection with the execution and delivery of the First Lien Documents and the Second Lien Documents, the First Lien Agent and the Second Lien Agent entered into that certain Intercreditor Agreement dated as of July 31, 2006 by and among JPMorgan, as collateral agent for the First Priority Secured Parties (as defined in the Intercreditor Agreement), Wilmington Trust, FSB, as successor collateral agent for the Second Priority Secured Parties (as defined in the Intercreditor Agreement), Oriental Trading Company, Inc., as Borrower and certain Loan Parties (as defined in the Intercreditor Agreement) party thereto (the "Intercreditor Agreement"), to set forth the relative lien priorities and other rights and remedies of the First Lien Lenders and the Second Lien Lenders with respect to, among other things, the Prepetition Collateral. Pursuant and subject to the Intercreditor Agreement, the Second Lien Agent and the Second Lien Lenders have agreed that (i) they will be deemed to have consented and raise no objection to the use of the Cash Collateral on the terms provided herein; (ii) they will not request

or accept adequate protection other than as set forth herein; (iii) they shall not object, contest, or support any other person objecting to or contesting, any request by the First Lien Lenders for adequate protection or any adequate protection provided to the First Lien Lenders; and (iv) they will subordinate their liens on the Prepetition Collateral to the DIP Liens (as defined in paragraph 8 below) and Adequate Protection Liens (as defined in paragraph 18(a) below) as contemplated herein.

(i) The aggregate value of the Prepetition Collateral securing the LIFO Obligations substantially exceeds the aggregate amount of the LIFO Obligations.

5. *Findings Regarding the DIP Loans.*

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors have an immediate need to obtain the DIP Loans and to use the Prepetition Collateral, including the Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, make payroll and satisfy other working capital and general corporate purposes of the Debtors (including costs related to the Cases) and repay in full the LIFO Obligations. Repayment in full of the LIFO Obligations with the initial proceeds of the DIP Loans is appropriate because (i) the aggregate value of the Prepetition Collateral securing the LIFO Obligations substantially exceeds the aggregate amount of the LIFO Obligations, (ii) the applicable interest rate with respect to the LIFO Loans is greater than the applicable interest rate with respect to the DIP Loans, (iii) the LIFO Lenders provided the LIFO Loans to the Debtors two (2) days before the Petition Date as an accommodation to provide the Debtors with sufficient liquidity pending obtaining the DIP Loans to permit the Debtors to enter chapter 11 in as smooth and orderly a fashion as possible under the circumstances, and (iv) it is a condition to closing under the DIP Agreement that the

initial proceeds of the DIP Loans be used to repay in full the LIFO Obligations. In addition, the treatment of the Prepetition L/Cs as letters of credit issued under the DIP Agreement is appropriate to, among other things, provide for administrative convenience in respect of the issuance and any amendment of such outstanding letters of credit.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without granting priming liens under section 364(d)(1) of the Bankruptcy Code and the Superpriority Claims (as defined in paragraph 7(a) below) and repaying in full the LIFO Obligations, in each case on the terms and conditions set forth in this Order and the DIP Documents.

(d) The terms of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(e) The DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the First Lien Agent and the First Lien Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Documents, this Order and the DIP Loans (collectively, the "DIP Obligations") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in

"good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(f) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2). Absent granting the interim relief set forth in this Order, the Debtors' estates and their business operations will be immediately and irreparably harmed. In particular, because August through October is the Debtors' peak period for receiving shipments of goods that will be sold during the holiday shopping season, absent the availability of the DIP Loans during the next six to eight weeks, the Debtors will not be able to meet inventory needs and will suffer sales losses during the peak holiday shopping season. The borrowing of the DIP Loans and the use of the Prepetition Collateral (including the Cash Collateral) in accordance with this Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates.

6. *Authorization of the DIP Loans and the DIP Documents.*

(a) The Debtors are hereby authorized to enter into and perform under the DIP Documents and, in the case of the Borrower, to borrow under the DIP Agreement pending entry of the Final Order up to an aggregate principal amount of $22,500,000 of the DIP Loans (including letters of credit) for working capital and other general corporate purposes of the Debtors (including costs related to the Cases), including without limitation, to pay interest, fees and expenses in connection with the DIP Loans and the First Lien Adequate Protection Obligations and to repay in full the LIFO Obligations.

(b) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and directed to perform all acts and to execute and deliver all instruments and documents that the DIP Agent determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in accordance with the terms of the DIP Documents and in such form as the Debtors, the DIP Agent and the DIP Lenders may agree, and no further approval of this Court shall be required for any amendment, waiver, consent or other modification to and under the DIP Documents (and any fees paid in connection therewith) that do not materially and adversely affect the Debtors or which do not (A) shorten the maturity of the DIP Loans, (B) increase the principal amount of, or the rate of interest payable on, the DIP Loans, or (C) change any Event of Default, add any covenants or amend the covenants therein, in any such case to be materially more restrictive; provided, however, that a copy of any such amendment, waiver, consent or other modification shall be filed by the Debtors with this Court and served by the Debtors on the U.S. Trustee and counsel to the statutory committee of unsecured creditors appointed in the Cases (the "Committee");

(iii) the non-refundable payment to the DIP Agent and the DIP Lenders, as the case may be, of the commitment, underwriting, arranger and

administrative agency fees set forth in the DIP Documents as described in the Motion and referred to in one or more fee letters executed among the Debtors and the DIP Agent; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(c) Upon the execution thereof, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents. No obligation, payment, transfer or grant of security by the Debtors under the DIP Documents or this Order shall be voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

7. *Superpriority Claims.*

(a) Except to the extent expressly set forth in this Order in respect of the Carve-Out, pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "Superpriority Claims") against the Debtors with priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 507(a), 507(b),

726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment.

(b) For purposes hereof, the "Carve-Out" shall mean (a) any fees payable to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee pursuant to section 1930(a) of title 28 of the United States Code and (b) up to $1,000,000 of allowed fees, expenses and disbursements of professionals retained by order of this Court, incurred after the occurrence of a Carve-Out Event (defined in this paragraph 7(b) below) plus all unpaid professional fees, expenses and disbursements allowed by this Court that were incurred in compliance with the Budget (as defined in, and including any permitted variance and amendment thereof pursuant to, the DIP Agreement) prior to the occurrence of a Carve-Out Event (regardless of when such fees, expenses and disbursements become allowed by order of this Court). For the purposes hereof, a "Carve-Out Event" shall occur upon the occurrence and during the continuance of an Event of Default under the DIP Agreement or a material breach by the Debtors of this Order and, in each case, upon delivery of a written notice thereof by the DIP Agent or the Required Lenders (as defined in the DIP Agreement, the "Required DIP Lenders") to the Debtors (a "Carve-Out Notice"). So long as no Carve-Out Event shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees, expenses and disbursements of professionals retained by order of this Court allowed by this Court and payable under Sections 328, 330 and 331 of the Bankruptcy Code, which allowed fees, expenses and disbursements shall be paid in accordance with and subject to the Budget, and the Carve-Out shall not be reduced by the application of any pre-petition retainers by any such professionals. Upon the delivery of a Carve-Out Notice, the right of the Debtors to pay professional fees incurred under clause (b) above without reduction of the Carve-Out in clause (b) above shall terminate and upon receipt of

such notice, the Debtors shall provide immediate notice by facsimile and email to all retained professionals informing them that a Carve-Out Event has occurred and that the Debtors' ability to pay professionals is subject to the Carve-Out; provided that (A) the Carve-Out shall not be available to pay any professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, the LIFO Lenders, the First Lien Lenders, the First Lien Agent, the Second Lien Lenders or the Second Lien Agent and (B) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

8. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted by the Debtors to the DIP Agent, for itself and the benefit of the DIP Lenders (all property of the Debtors identified in clauses (a), (b) and (c) below being collectively referred to as the "DIP Collateral"), subject and subordinate only to the Carve-Out (all such liens and security interests granted to the DIP Agent pursuant to this Order, the "DIP Liens"):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to either (i) valid, perfected, non-avoidable and enforceable liens in existence on or as of the

Petition Date, or (ii) a valid lien perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Unencumbered Property"); provided, that the Unencumbered Property shall not include the Avoidance Actions, but subject to entry of the Final Order, Unencumbered Property shall include any proceeds or property recovered in respect of any Avoidance Actions.

(b) Liens Junior to Certain Existing Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected junior lien on, and security interest in all tangible and intangible prepetition and postpetition property of the Debtors (other than the property described in paragraph 8(c) below, as to which the DIP Liens will have the priority as described in such clause), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (collectively, the "Non-Primed Liens"), which security interests and liens in favor of the DIP Agent and the DIP Lenders shall be junior to the Non-Primed Liens.

(c) Liens Priming First Lien Lenders' and Second Lien Lenders' Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority, senior priming lien on, and security interest in, all Prepetition Collateral (whether now existing or hereafter acquired). The DIP Liens on the Prepetition Collateral shall be senior in all respects to the security interests in, and liens on, the Prepetition Collateral of (i) the First Lien Agent and the First Lien Lenders (including, without limitation, the First Lien Adequate Protection Liens) and (ii) the Second Lien Agent and the Second Lien Lenders (including, without limitation, the Second Lien Adequate Protection Liens (as defined in

paragraph 18(a) below), but shall be junior to any Non-Primed Liens on the Prepetition Collateral.

(d) Liens Senior to Certain Other Liens. The DIP Liens and the Adequate Protection Liens shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Petition Date or (ii) except as set forth in the Intercreditor Agreement, subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

9. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (a) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (b) below, and (b) upon the occurrence and during the continuance of an Event of Default, and the giving of five (5) business days' prior written notice to the Debtors (with a copy to counsel to the Debtors, counsel to the Committee and the U.S. Trustee), all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Order (including, without limitation, the right to setoff monies of the Debtors in accounts maintained with the DIP Agent or any DIP Lender). In any hearing regarding any such exercise of rights or remedies, the only issue to be determined shall be whether, in fact, an Event of Default has occurred and is continuing. In no event shall the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral. The DIP Agent's or any DIP Lender's delay or

failure to exercise rights and remedies under the DIP Documents or this Order shall not constitute a waiver of the DIP Agent's or any DIP Lender's rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the DIP Agreement.

10. *Limitation on Charging Expenses Against Collateral.* Subject to and effective upon entry of the Final Order, except to the extent of the Carve-Out, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral, as the case may be, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agent (acting with the consent of the Required DIP Lenders), the First Lien Agent (acting with the consent of the Required Lenders (as defined in the First Lien Credit Agreement, the "Required First Lien Lenders")) and the Second Lien Agent, as the case may be, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, or the Second Lien Lenders.

11. *Limitations under Section 552(b) of the Bankruptcy Code.* The First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders shall be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and, subject to and effective upon entry of the Final Order, the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the First Lien Agent, First Lien Lenders, the Second Lien Agent and the Second Lien Lenders with respect to (i) proceeds, products, offspring or

profits of any of the Prepetition Collateral or (ii) the extension of the Adequate Protection Liens to cover proceeds of the Prepetition Collateral.

12. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or (except as provided in paragraph 21 of this Order) to the First Lien Agent on behalf of the First Lien Lenders or the LIFO Lenders pursuant to the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

13. *LIFO Loans.* The LIFO Obligations shall be paid in full by the Debtors from the proceeds of the initial borrowing of the DIP Loans and, upon such payment, all security interests in, and liens on, Prepetition Collateral granted to secure the LIFO Obligations shall be immediately, and without the necessity of further action, released and terminated.

14. *The Cash Collateral.* Substantially all of the Debtors' cash, including without limitation, all cash and other amounts on deposit or maintained by the Debtors in any account or accounts with any First Lien Lender and any cash proceeds of the disposition of any Prepetition Collateral, constitute proceeds of the Prepetition Collateral and, therefore, are cash collateral of the LIFO Lenders, the First Lien Lenders and, subject to the Intercreditor Agreement, the Second Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

15. *Use of Prepetition Collateral (Including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date (as defined in the DIP Agreement) for working capital and general corporate purposes (including costs related to the Cases) in accordance with the terms and conditions of this Order and the Budget; provided that,

(a) the First Lien Lenders and the Second Lien Lenders are granted adequate protection as hereinafter set forth and (b) except on the terms of this Order, the Debtors shall be enjoined and prohibited from at any time using the Cash Collateral. By virtue of the First Lien Lenders' consent to the Debtors' use of Cash Collateral as set forth in this Order, pursuant and subject to the Intercreditor Agreement, the Second Lien Lenders are deemed to have consented to such use of the Cash Collateral.

16. *Adequate Protection for the First Lien Agent and First Lien Lenders.* The First Lien Agent and the First Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the First Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "First Lien Adequate Protection Obligations"). As adequate protection, the First Lien Agent and the First Lien Lenders are hereby granted the following:

(a) First Lien Adequate Protection Liens. As security for the payment of the First Lien Adequate Protection Obligations, the First Lien Agent (for itself and for the benefit of the First Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "First Lien Adequate Protection Liens"),

subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out and (iii) the Non-Primed Liens.

(b) First Lien Section 507(b) Claims. The First Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "First Lien 507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in this Order, the First Lien Agent and the First Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the First Lien 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash. Notwithstanding their status as First Lien 507(b) Claims, the First Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in the Cases in the manner set forth in such plan if holders of more than 66% (by amount) of the First Lien Adequate Protection Obligations consent to such treatment.

(c) Interest, Fees and Expenses. The Debtors are authorized and directed to (a) immediately pay as adequate protection to the First Lien Agent an amount equal to all accrued and unpaid interest on the loans constituting First Lien Obligations at the non-default LIBOR rate under the First Lien Credit Agreement, all regularly scheduled payments under any hedge agreements, all accrued and unpaid letter of credit fees and all other accrued and unpaid fees and disbursements owing to the First Lien Agent under the First Lien Documents and accrued prior to the Petition Date and (b) on the last business day of each calendar month after

the entry of this Order, pay as adequate protection an amount equal to all accrued and unpaid interest on the loans constituting First Lien Obligations at the applicable non-default LIBOR rate set forth in the First Lien Documents (which payments and pricing shall be without prejudice to the rights of the First Lien Agent and any First Lien Lenders to assert a claim for the payment of additional interest calculated at any other rates applicable pursuant to the First Lien Credit Agreement, and without prejudice to the rights of the Debtors or other party in interest to contest any such additional claims) and all regularly scheduled payments under any hedge agreements, in each case subject to Section 506(b) of the Bankruptcy Code. As additional adequate protection, the Debtors shall also pay to the First Lien Agent (i) all reasonable fees and expenses payable to the First Lien Agent under the First Lien Documents, including without limitation, the reasonable fees and disbursements of counsel and financial advisors to the First Lien Agent and (ii) the reasonable expenses of members of the Steering Committee of First Lien Lenders (including, without limitation, the reasonable fees and expenses of counsel). None of the fees and expenses payable pursuant to this paragraph 16(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. The Debtors shall pay the fees and expenses provided for in this paragraph 16(c) promptly after receipt of invoices therefor, and the Debtors shall promptly provide copies of such invoices to the counsel to the Committee and to the U.S. Trustee.

(d) Information. The Debtors shall promptly provide to the First Lien Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders.

(e) Credit Bidding. As additional adequate protection, the First Lien Agent (on behalf of the First Lien Lenders) shall, acting at the direction of the Required First Lien Lenders, have the right to "credit bid" the amount of the First Lien Obligations in connection with any sale of the Prepetition Collateral, including without limitation, any sale pursuant to section 363 of the Bankruptcy Code or included as part of any plan of reorganization subject to confirmation under section 1129(b) of the Bankruptcy Code.

17. *Reservation of Rights of First Lien Lenders.* The First Lien Lenders consent to the adequate protection provided herein. Notwithstanding any other provision hereof, the grant of adequate protection to the First Lien Agent and the First Lien Lenders pursuant hereto is without prejudice to the right of the First Lien Agent, with the consent of the Required First Lien Lenders, to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the right of the Debtors or any other party in interest (subject, in the case of the Second Lien Agent and the Second Lien Lenders, to the Intercreditor Agreement) to contest any such modification. Except as expressly provided herein, nothing contained in this Order (including without limitation, the authorization to use the Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the First Lien Agent or any First Lien Lender. The consent of the First Lien Agent and the First Lien Lenders to the priming of the First Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the Carve-Out (a) is limited to the DIP Loans and the Carve-Out and (b) does not constitute, and shall not be construed as constituting, an acknowledgement or stipulation by the First Lien Agent or the First Lien Lenders that, absent such consent, their interests in the Prepetition Collateral would be adequately protected pursuant to this Order.

18. *Adequate Protection for the Second Lien Agent and Second Lien Lenders.* The Second Lien Agent and the Second Lien Lenders are entitled, pursuant to sections 361, 363(c)(2), 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in value of their interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of the Cash Collateral and any other Prepetition Collateral, the priming of the Second Lien Agent's liens on the Prepetition Collateral by the DIP Liens and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "Second Lien Adequate Protection Obligations", together with the First Lien Adequate Protection Obligations, the "Adequate Protection Obligations"). As adequate protection, the Second Lien Agent and the Second Lien Lenders are hereby granted the following:

(a) Second Lien Adequate Protection Liens. As security for the payment of the Second Lien Adequate Protection Obligations, the Second Lien Agent (for itself and for the benefit of the Second Lien Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on all of the DIP Collateral (the "Second Lien Adequate Protection Liens", together with the First Lien Adequate Protection Liens, the "Adequate Protection Liens"), subject and subordinate only to (i) the DIP Liens, (ii) the Carve-Out, (iii) the First Lien Adequate Protection Liens, (iv) the liens securing the First Lien Obligations and (v) the Non-Primed Liens.

(b) Second Lien 507(b) Claims. The Second Lien Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "Second Lien 507(b) Claims", together with the First Lien 507(b) Claims, the "507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331 and 726 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out, (ii) the Superpriority Claims granted in respect of the DIP Obligations and (iii) the First Lien 507(b) Claims. The Second Lien Agent and the Second Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the Second Lien 507(b) Claims unless and until all DIP Obligations, the First Lien Adequate Protection Obligations and the First Lien Obligations shall have indefeasibly been paid in full in cash. In addition to, and notwithstanding anything to the contrary contained in this Order, any Second Lien Adequate Protection Obligations may be satisfied in a plan of reorganization confirmed in the Cases in the manner set forth in the Intercreditor Agreement.

19. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent, the First Lien Agent and the Second Lien Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the DIP Liens and the Adequate Protection Liens granted to them hereunder. Whether or not the DIP Agent, the First Lien Agent or the Second Lien Agent shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the DIP Liens

and the Adequate Protection Liens, such DIP Liens and the Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Order.

(b) A certified copy of this Order may, in the discretion of the DIP Agent, the First Lien Agent and the Second Lien Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent, the First Lien Agent, and the Second Lien Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent, the First Lien Agent or the Second Lien Agent, as the case may be, may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens.

(d) Any provision of any lease or other license, contract or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest, or the proceeds thereof, or other DIP Collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code, and any such provision shall have no force and effect with respect to the granting of the DIP Liens or the Adequate Protection Liens on such leasehold interest or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Lenders, the First Lien Lenders or the Second Lien Lenders in accordance with the terms of the DIP Documents or this Order.

20. *Preservation of Rights Granted Under the Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent, the First Lien Agent or, subject to the terms of the Intercreditor Agreement, the Second Lien Agent shall be granted or allowed while any portion of the DIP Obligations or the Adequate Protection Obligations remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or, except as set forth in the Intercreditor Agreement, subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise.

(b) Unless all DIP Obligations and First Lien Adequate Protection Obligations shall have been indefeasibly paid in full in cash, in the case of clause (i) below, the Debtors shall not seek, and in the case clauses (i) and (ii) below, it shall constitute an Event of Default under the DIP Agreement and a termination of the right to use the Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Order without the prior written consent of the DIP Agent (acting with the consent of the Required DIP Lenders) and the First Lien Agent (acting with the consent of the Required First Lien Lenders), as applicable, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent or the First Lien Agent, or (ii) an order converting or dismissing any of the Cases.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacatur shall, to the extent provided in section 364(e) of the Bankruptcy Code, not affect (i) the validity, priority or enforceability of any DIP Obligations or the Adequate Protection Obligations incurred prior to

the effective date of such reversal, stay, modification or vacatur or (ii) the validity, priority or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, stay, modification or vacatur, any use of the Cash Collateral, any DIP Obligations or any Adequate Protection Obligations incurred by the Debtors to the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders, as the case may be, prior to the effective date of such reversal, stay, modification or vacatur shall, to the extent provided in section 364(e) of the Bankruptcy Code, be governed in all respects by the original provisions of this Order, and the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders shall be entitled to all of the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Order, the DIP Documents (with respect to all DIP Obligations), the Adequate Protection Obligations and uses of the Cash Collateral.

(d) Except as expressly provided in this Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders granted by this Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations. The terms and provisions of this Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7

cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the DIP Obligations, the Adequate Protection Obligations, the Superpriority Claims, the Section 507(b) Claims, the other administrative claims granted pursuant to this Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders granted by this Order and the DIP Documents shall continue in full force and effect until all DIP Obligations are indefeasibly paid in full in cash and all Adequate Protection Obligations are indefeasibly paid in full in cash or otherwise satisfied in accordance with paragraph 16(b) or 18(b), as applicable.

21. *Effect of Stipulations on Third Parties*. The stipulations and admissions contained in this Order, including without limitation, in paragraphs 4 and 14 of this Order, shall be binding upon the Debtors under all circumstances. The stipulations and admissions contained in this Order, including without limitation, in paragraphs 4 and 14 of this Order, shall be binding upon all parties in interest unless (a) any party-in-interest (including the Committee) with standing to do so has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein, including without limitation, in this paragraph 21) by no later than the earlier of (x) the date that is 75 days after the Petition Date and (y) the date that is 60 days following the formation of the Committee; provided that any such deadline is subject to extension as may be specified by this Court for cause shown, (i) challenging the validity, enforceability, priority or extent of (A) the LIFO Obligations or the liens on Prepetition Collateral securing the LIFO Obligations, (B) the First Lien Obligations or the liens on the Prepetition Collateral securing the First Lien Obligations or (C) the Second Lien Obligations or the liens on Prepetition Collateral securing the Second Lien Obligations or (ii) otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses

(collectively, the "Claims and Defenses") against any of the LIFO Lenders, the First Lien Agent, any of the First Lien Lenders, the Second Lien Agent or any of the Second Lien Lenders, or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the LIFO Obligations, the First Lien Obligations, the Second Lien Obligations or the Prepetition Collateral and (b) an order is entered and becomes final in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding or contested matter is timely filed in respect of the LIFO Obligations, the First Lien Obligations and the Second Lien Obligations, as the case may be, (x) the LIFO Obligations, the First Lien Obligations and the Second Lien Obligations, as the case may be, shall constitute allowed claims, not subject to counterclaim, setoff (other than any setoff rights under any hedge agreements in accordance with their terms), subordination (except with respect to the Second Lien Obligations, as set forth in the Intercreditor Agreement), recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the LIFO Obligations, the First Lien Obligations and the Second Lien Obligations, as the case may be, shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraphs 4(b), 4(d) and 4(f), as applicable, not subject to defense, counterclaim, recharacterization, subordination (except with respect to the Second Lien Obligations, as set forth in the Intercreditor Agreement) or avoidance and (z) the LIFO Obligations, the LIFO Lenders, the First Lien Obligations, the First Lien Agent, the First Lien Lenders, the Second Lien Obligations, the Second Lien Agent and the Second Lien Lenders, as the case may be, and the liens on the

Prepetition Collateral granted to secure the LIFO Obligations, the First Lien Obligations and the Second Lien Obligations, as the case may be, shall not be subject to any other or further challenge by any party-in-interest (including the Committee), and such party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraphs 4 and 14 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on all parties-in-interest (including the Committee), except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter.

22. *Limitation on Use of DIP Loans and DIP Collateral.* The Debtors shall use the DIP Loans and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order, the Budget and the DIP Documents. Notwithstanding anything herein or in any other order of this Court to the contrary, no DIP Loans, no DIP Collateral, no Prepetition Collateral (including the Cash Collateral) nor the Carve-Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the First Lien Documents, the Second Lien Documents or the liens or claims granted under this Order, the DIP Documents, First Lien Documents or the Second Lien Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the LIFO Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay

the DIP Agent's, the First Lien Agent's or the Second Lien Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the First Lien Documents, the Second Lien Documents or this Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, the LIFO Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders hereunder or under the DIP Documents, the First Lien Documents or the Second Lien Documents, in the case of each of the foregoing clauses (a) through (d), without such party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $50,000 of the Prepetition Collateral (including the Cash Collateral), the DIP Loans, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the LIFO Obligations, the First Lien Obligations, the Second Lien Obligations or the liens on the Prepetition Collateral securing the LIFO Obligations, the First Lien Obligations or the Second Lien Obligations, or investigate any Claims and Defenses or other causes action against the LIFO Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent and the Second Lien Lenders.

23. *Insurance*. To the extent the First Lien Agent is listed as loss payee under the Debtors' insurance policies, the DIP Agent is also deemed to be the loss payee under the Debtors' insurance policies and shall act in that capacity and subject to the terms of the DIP Documents, distribute any proceeds recovered or received in respect of any such insurance policies, first, to the payment in full of the DIP Obligations, and second, to the payment of the First Lien Obligations.

24. *Master Proof of Claim.*

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, (i) the First Lien Agent is authorized to file a single master proof of claim in the Case of Oriental Trading Company, Inc. on behalf of itself and the First Lien Lenders on account of their claims arising under the First Lien Documents and hereunder against all Debtors (other than OTC Holdings Corporation ("Holdings")) and (ii) the Second Lien Agent is authorized to file a single master proof of claim in the Case of Oriental Trading Company, Inc. on behalf of itself and the Second Lien Lenders on account of their claims arising under the Second Lien Documents and hereunder against all Debtors (other than Holdings) (each, a "Master Proof of Claim"), and neither the First Lien Agent nor the Second Lien Agent shall be required to file a verified statement pursuant to Bankruptcy Rule 2019 in any of the Cases.

(b) Upon filing of the applicable Master Proof of Claim against Oriental Trading Company, Inc., the First Lien Agent and each First Lien Lender, and the Second Lien Agent and each Second Lien Lender, as the case may be, and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors (other than Holdings) arising under the First Lien Documents or the Second Lien Documents, as the case may be, or under this Order and the claims of the First Lien Agent and each First Lien Lender, and the Second Lien Agent and each Second Lien Lender, as the case may be (and each of their respective successors and assigns), named in the applicable Master Proof of Claim shall be allowed or disallowed as if each such entity had filed a separate proof of claim in each of the Cases (other than that of Holdings) in the amount set forth in the applicable Master Proof of Claim; provided that each of

the First Lien Agent and the Second Lien Agent, may, but shall not be required to, amend the applicable Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above and the Master Proofs of Claim are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proofs of Claim shall affect the substantive rights of the Debtors, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, or any other party in interest or their respective successors in interest, including without limitation, the right of each First Lien Lender and each Second Lien Lender, as the case may be (or its successor in interest), to vote separately on any plan of reorganization proposed in the Cases.

25. *Order Governs*. In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

26. *Binding Effect; Successors and Assigns*. The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent, the Second Lien Lenders, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the

Second Lien Agent, the Second Lien Lenders and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order, the DIP Agent, the First Lien Agent, the DIP Lenders and the First Lien Lenders shall have no obligation to permit the use of the DIP Loans or the Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

27. *Limitation of Liability.* In determining to make any loan under the DIP Agreement, permitting the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the First Lien Agent, the Second Lien Agent, the DIP Lenders, the First Lien Lenders and the Second Lien Lenders shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the DIP Lenders, the First Lien Agent, the First Lien Lenders, the Second Lien Agent or the Second Lien Lenders of any liability for any claims arising from the pre-petition or post-petition activities of any of the Debtors.

28. *Intercreditor Agreement.* Nothing in this Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreement, including without limitation, the turnover provisions contained therein, and the Intercreditor Agreement shall remain in full force and effect. The rights of the First Lien Lenders and the Second Lien Lenders shall at all times remain subject to the Intercreditor Agreement.

29. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon entry hereof, and there shall be no stay of effectiveness of this Order.

30. *Final Hearing.* The Final Hearing is scheduled for September __, 2010 at _____ __.m., prevailing Eastern time, before this Court.

31. *Final Hearing Notice.* The Debtors shall promptly serve copies of this Order (which shall constitute adequate notice of the Final Hearing) on the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to the Committee after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party-in-interest objecting to the relief sought at the Final Hearing shall serve and file written objections; which objections shall be served upon (a) Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022, Attention: Richard F. Hahn, Esq. and My Chi To, Esq., attorneys for the Debtors, (b) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, P.O. Box 391, Wilmington, Delaware 19899, Attention: Joel A. Waite, Esq., attorneys for the Debtors, (c) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, New York 10017, Attention: Steven Fuhrman, Esq. and Elisha Graff, Esq., attorneys for the DIP.Agent and the First Lien Agent, (d) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attention: Mark D. Collins, Esq., attorneys for the DIP Agent and the First Lien Agent, (e) Kramer Levin Naftalis & Frankel LLP, Attention: Thomas Moers Mayer, Esq., attorneys for the Second Lien Agent, (f) counsel to the Committee and (g) the Office of the U.S. Trustee for the District of Delaware, and shall be filed with the Clerk of

the Bankruptcy Court, in each case to allow actual receipt by the foregoing no later than September __, 2010 at _____ __.m., prevailing Eastern time.

Dated: August ___, 2010
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT C

Intercreditor Agreement

Intercreditor Agreement (this "**Agreement**"), dated as of July 31, 2006, among JPMORGAN CHASE BANK, N.A., as Collateral Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**First Priority Representative**") for the First Priority Secured Parties (as defined below), WACHOVIA BANK, NATIONAL ASSOCIATION, as Collateral Agent (in such capacity, with its successors and assigns, and as more specifically defined below, the "**Second Priority Representative**") for the Second Priority Secured Parties (as defined below), ORIENTAL TRADING COMPANY, INC., a Delaware corporation (the "**Borrower**"), and each of the other Loan Parties (as defined below) party hereto.

WHEREAS, the Borrower, the First Priority Representative and certain financial institutions and other entities are parties to the First Lien Credit Agreement dated as of the date hereof (as amended, renewed, extended, restated, supplemented or otherwise modified from time to time, the "**Existing First Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans and extend other financial accommodations to the Borrower; and

WHEREAS, the Borrower, the Second Priority Representative and certain financial institutions and other entities are parties to Second Lien Credit Agreement dated as of the date hereof (as amended, renewed, extended, restated, supplemented or otherwise modified from time to time, the "**Existing Second Priority Agreement**"), pursuant to which such financial institutions and other entities have agreed to make loans to the Borrower; and

WHEREAS, the Borrower and the other Loan Parties have granted to the First Priority Representative security interests in the Common Collateral as security for payment and performance of the First Priority Obligations; and

WHEREAS, the Borrower and the other Loan Parties propose to grant to the Second Priority Representative junior security interests in the Common Collateral as security for payment and performance of the Second Priority Obligations; and

WHEREAS, the First Priority Creditors under the Existing First Priority Agreement have agreed to permit the grant of such junior security interests on the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained and other good and valuable consideration, the existence and sufficiency of which is expressly recognized by all of the parties hereto, the parties agree as follows:

SECTION 1. *Definitions.*

1.1. Defined Terms. The following terms, as used herein, have the following meanings:

"**Additional First Priority Agreement**" means any agreement approved for designation as such by the First Priority Representative and the Second Priority Representative.

"**Additional Second Priority Agreement**" means any agreement approved for designation as such by the First Priority Representative and the Second Priority Representative.

"**Bankruptcy Code**" means the United States Bankruptcy Code (11 U.S.C. §101 et seq.), as amended from time to time.

"**Borrower**" has the meaning set forth in the introductory paragraph hereof.

"**Business Day**" means a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

"**Cash Management Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Secured Party (or any of its affiliates) (or any First Priority Secured Party or any affiliate thereof at the time the applicable treasury management arrangements, depositary or other cash management arrangements were entered into) in respect of treasury management arrangements, depositary or other cash management services, whether such obligations are direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise.

"**Common Collateral**" means all assets that are both First Priority Collateral and Second Priority Collateral.

"**Comparable Second Priority Security Document**" means, in relation to any Common Collateral subject to any First Priority Security Document, that Second Priority Security Document that creates a security interest in the same Common Collateral, granted by the same Loan Party, as applicable.

"**DIP Financing**" has the meaning set forth in Section 5.2.

"**Enforcement Action**" means, with respect to the First Priority Obligations or the Second Priority Obligations, any demand for payment or acceleration thereof, the exercise of any rights and remedies with respect to any Common Collateral securing such obligations or the commencement or prosecution of enforcement of any of the rights and remedies under, as applicable, the First Priority Documents or the Second Priority Documents, or applicable law, including without limitation the exercise of any rights of set-off or recoupment, and the exercise of any rights or remedies of a secured creditor under the Uniform Commercial Code of any applicable jurisdiction or under the Bankruptcy Code.

"**Existing First Priority Agreement**" has the meaning set forth in the first WHEREAS clause of this Agreement.

"**Existing Second Priority Agreement**" has the meaning set forth in the second WHEREAS clause of this Agreement.

"**First Priority Agreement**" means the collective reference to (a) the Existing First Priority Agreement, (b) any Additional First Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing First Priority Agreement, any Additional First Priority Agreement or any other agreement or instrument referred to in this clause (c) unless such agreement or instrument expressly provides that it is not intended to be and is not a First Priority Agreement hereunder (a **"Replacement First Priority Agreement"**). Any reference to the First Priority Agreement hereunder shall be deemed a reference to any First Priority Agreement then extant.

"**First Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any First Priority Secured Party as security for any First Priority Obligation.

"**First Priority Creditors**" means the "Lenders" as defined in the First Priority Agreement.

"**First Priority Documents**" means the First Priority Agreement and each First Priority Security Document.

"**First Priority Lien**" means any Lien created by the First Priority Security Documents.

"**First Priority Obligations**" means (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all loans made pursuant to the First Priority Agreement, (b) all reimbursement obligations (if any) and interest thereon (including without limitation any Post-Petition Interest) with respect to any letter of credit or similar instruments issued pursuant to the First Priority Agreement, (c) all Hedging Obligations, (d) all Cash Management Obligations and (e) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the First Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any First Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any Second Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**First Priority Obligations Payment Date**" means the first date on which (a) the First Priority Obligations (other than those that constitute Unasserted Contingent Obligations) have been indefeasibly paid in cash in full (or cash collateralized or defeased in accordance with the terms of the First Priority Documents), (b) all commitments to extend credit under the First Priority Documents have been terminated and (c) there are no outstanding letters of credit or similar instruments issued under the First Priority Documents (other than such as have been cash collateralized or defeased in accordance with the terms of the First Priority Security Documents).

"**First Priority Representative**" has the meaning set forth in the introductory paragraph hereof. In the case of any Replacement First Priority Agreement, the First Priority Representative shall be the Person identified as such in such Agreement.

"**First Priority Secured Parties**" means the First Priority Representative, the First Priority Creditors and any other holders of the First Priority Obligations.

"**First Priority Security Documents**" means the "Security Documents" as defined in the First Priority Agreement, and any other documents that are designated under the First Priority Agreement as "First Priority Security Documents" for purposes of this Agreement.

"**Governmental Authority**" means any nation or government, any state, province or other political subdivision thereof and any governmental entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and, as to any Secured Party, any

securities exchange and any self regulatory organization (including the National Association of Insurance Commissioners).

"**Hedging Obligations**" means, with respect to any Loan Party, any obligations of such Loan Party owed to any First Priority Creditor (or any of its affiliates) in respect of any swap agreement or hedge agreement in respect of interest rates, currency exchange rates or commodity prices.

"**Insolvency Proceeding**" means any proceeding in respect of bankruptcy, insolvency, winding up, receivership, dissolution or assignment for the benefit of creditors, in each of the foregoing events whether under the Bankruptcy Code or any similar federal, state or foreign bankruptcy, insolvency, reorganization, receivership or similar law.

"**Lien**" means any mortgage, pledge, hypothecation, collateral assignment, encumbrance, lien (statutory or other), charge or other security interest or any other security agreement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

"**Loan Party**" means any of the "Loan Parties" as defined in the First Priority Agreement and any of the "Loan Parties" as defined in the Second Priority Agreement. All references in this Agreement to any Loan Party shall include such Loan Party as a debtor-in-possession and any receiver or trustee for such Loan Party in any Insolvency Proceeding.

"**Person**" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"**Post-Petition Interest**" means any interest or entitlement to fees or expenses or other charges that accrues after the commencement of any Insolvency Proceeding, whether or not allowed or allowable in any such Insolvency Proceeding.

"**Purchase Date**" has the meaning set forth in Section 4.4(b).

"**Purchase Notice**" has the meaning set forth in Section 4.4(a).

"**Purchasing Parties**" has the meaning set forth in Section 4.4(a).

"**Replacement First Priority Agreement**" has the meaning set forth in the definition of "First Priority Agreement".

"**Second Priority Agreement**" means the collective reference to (a) the Existing Second Priority Agreement, (b) any Additional Second Priority Agreement and (c) any other credit agreement, loan agreement, note agreement, promissory note, indenture, or other agreement or instrument evidencing or governing the terms of any indebtedness or other financial accommodation that has been incurred to extend, replace, refinance or refund in whole or in part the indebtedness and other obligations outstanding under the Existing Second Priority Agreement, any Additional Second Priority Agreement or any other agreement or instrument referred to in this clause (c). Any reference to the Second Priority Agreement hereunder shall be deemed a reference to any Second Priority Agreement then extant.

"**Second Priority Collateral**" means all assets, whether now owned or hereafter acquired by the Borrower or any other Loan Party, in which a Lien is granted or purported to be granted to any Second Priority Secured Party as security for any Second Priority Obligation.

"**Second Priority Creditors**" means the "Lenders" as defined in the Second Priority Agreement.

"**Second Priority Documents**" means each Second Priority Agreement and each Second Priority Security Document.

"Second Priority Lien" means any Lien created by the Second Priority Security Documents.

"**Second Priority Obligations**" means (a) all principal of and interest (including without limitation any Post-Petition Interest) and premium (if any) on all indebtedness under the Second Priority Agreement, and (b) all guarantee obligations, fees, expenses and other amounts payable from time to time pursuant to the Second Priority Documents, in each case whether or not allowed or allowable in an Insolvency Proceeding. To the extent any payment with respect to any Second Priority Obligation (whether by or on behalf of any Loan Party, as proceeds of security, enforcement of any right of setoff or otherwise) is declared to be a fraudulent conveyance or a preference in any respect, set aside or required to be paid to a debtor in possession, any First Priority Secured Party, receiver or similar Person, then the obligation or part thereof originally intended to be satisfied shall, for the purposes of this Agreement and the rights and obligations of the First Priority Secured Parties and the Second Priority Secured Parties, be deemed to be reinstated and outstanding as if such payment had not occurred.

"**Second Priority Representative**" has the meaning set forth in the introductory paragraph hereof, but shall also include any Person identified as a "Second Priority Representative" in any Second Priority Agreement other than the Existing Second Priority Agreement.

"**Second Priority Secured Party**" means the Second Priority Representative, the Second Priority Creditors and any other holders of the Second Priority Obligations.

"**Second Priority Security Documents**" means the "Security Documents" as defined in the Second Priority Agreement and any documents that are designated under the Second Priority Agreement as "Second Priority Security Documents" for purposes of this Agreement.

"**Secured Parties**" means the First Priority Secured Parties and the Second Priority Secured Parties.

"**Standstill Period**" has the meaning set forth in Section 3.2(f).

"**Unasserted Contingent Obligations**" shall mean, at any time, First Priority Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities (excluding (a) the principal of, and interest and premium (if any) on, and fees and expenses relating to, any First Priority Obligation and (b) contingent reimbursement obligations in respect of amounts that may be drawn under outstanding letters of credit) in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment (whether oral or written) has been made (and, in the case of First Priority Obligations for indemnification, no notice for indemnification has been issued by the indemnitee) at such time.

"**Uniform Commercial Code**" shall mean the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

1.2 Amended Agreements. All references in this Agreement to agreements or other contractual obligations shall, unless otherwise specified, be deemed to refer to such agreements or contractual obligations as amended, supplemented, restated or otherwise modified from time to time.

SECTION 2. Lien Priorities.

2.1 Subordination of Liens. (a) Any and all Liens now existing or hereafter created or arising in favor of any Second Priority Secured Party securing the Second Priority Obligations, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise are expressly junior in priority, operation and effect to any and all Liens now existing or hereafter created or arising in favor of the First Priority Secured Parties securing the First Priority Obligations, notwithstanding (i) anything to the contrary contained in any agreement or filing to which any Second Priority Secured Party may now or hereafter be a party, and regardless of the time, order or method of grant, attachment, recording or perfection of any financing statements or other security interests, assignments, pledges, deeds, mortgages and other liens, charges or encumbrances or any defect or deficiency or alleged defect or deficiency in any of the foregoing, (ii) any provision of the Uniform Commercial Code or any applicable law or any First Priority Document or Second Priority Document or any other circumstance whatsoever and (iii) the fact that any such Liens in favor of any First Priority Secured Party securing any of the First Priority Obligations are (x) subordinated to any Lien securing any obligation of any Loan Party other than the Second Priority Obligations or (y) otherwise subordinated, voided, avoided, invalidated or lapsed.

(b) No First Priority Secured Party or Second Priority Secured Party shall object to or contest, or support any other Person in contesting or objecting to, in any proceeding (including without limitation, any Insolvency Proceeding), the validity, extent, perfection, priority or enforceability of any security interest in the Common Collateral granted to the other. Notwithstanding any failure by any First Priority Secured Party or Second Priority Secured Party to perfect its security interests in the Common Collateral or any avoidance, invalidation or subordination by any third party or court of competent jurisdiction of the security interests in the Common Collateral granted to the First Priority Secured Parties or the Second Priority Secured Parties, the priority and rights as between the First Priority Secured Parties and the Second Priority Secured Parties with respect to the Common Collateral shall be as set forth herein.

2.2 Nature of First Priority Obligations. The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties acknowledges that a portion of the First Priority Obligations represents debt that is revolving in nature and that the amount thereof that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the First Priority Obligations may be modified, extended or amended from time to time, and that the aggregate amount of the First Priority Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Second Priority Secured Parties and without affecting the provisions hereof. The lien priorities provided in Section 2.1 shall not be altered or otherwise affected by any such amendment, modification, supplement, extension, repayment, reborrowing, increase, replacement, renewal, restatement or refinancing of either the First Priority Obligations or the Second Priority Obligations, or any portion thereof.

2.3 Agreements Regarding Actions to Perfect Liens. (a) The Second Priority Representative on behalf of itself and the other Second Priority Secured Parties agrees that UCC-1 financing statements,

patent, trademark or copyright filings or other filings or recordings filed or recorded by or on behalf of the Second Priority Representative shall be in form satisfactory to the First Priority Representative.

(b) The Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that all mortgages, deeds of trust, deeds and similar instruments (collectively, "**mortgages**") now or thereafter filed against real property in favor of or for the benefit of the Second Priority Representative shall be in form satisfactory to the First Priority Representative and shall contain the following notation: "The lien created by this mortgage on the property described herein is junior and subordinate to the lien on such property created by any mortgage, deed of trust or similar instrument now or hereafter granted to JPMorgan Chase Bank, N.A., as Collateral Agent, and its successors and assigns, in such property, in accordance with the provisions of the Intercreditor Agreement dated as of July 31, 2006 among JPMorgan Chase Bank, N.A., as First Priority Representative, Wachovia Bank, National Association, as Second Priority Representative, and the Loan Parties referred to therein, as amended from time to time."

(c) The First Priority Representative hereby acknowledges that, to the extent that it holds, or a third party holds on its behalf, physical possession of or "control" (as defined in the Uniform Commercial Code) over Common Collateral pursuant to the First Priority Security Documents, such possession or control is also for the benefit of the Second Priority Representative and the other Second Priority Secured Parties solely to the extent required to perfect their security interest in such Common Collateral. Nothing in the preceding sentence shall be construed to impose any duty on the First Priority Representative (or any third party acting on its behalf) with respect to such Common Collateral or provide the Second Priority Representative or any other Second Priority Secured Party with any rights with respect to such Common Collateral beyond those specified in this Agreement and the Second Priority Security Documents, provided that subsequent to the occurrence of the First Priority Obligations Payment Date, the First Priority Representative shall (i) deliver to the Second Priority Representative, at the Borrower's sole cost and expense, the Common Collateral in its possession or control together with any necessary endorsements to the extent required by the Second Priority Documents or (ii) direct and deliver such Common Collateral as a court of competent jurisdiction otherwise directs, and provided, further, that the provisions of this Agreement are intended solely to govern the respective Lien priorities as between the First Priority Secured Parties and the Second Priority Secured Parties and shall not impose on the First Priority Secured Parties any obligations in respect of the disposition of any Common Collateral (or any proceeds thereof) that would conflict with prior perfected Liens or any claims thereon in favor of any other Person that is not a Secured Party.

2.4 No New Liens. So long as the First Priority Obligations Payment Date has not occurred, the parties hereto agree that (a) there shall be no Lien, and no Loan Party shall have any right to create any Lien, on any assets of any Loan Party securing any Second Priority Obligation if these same assets are not subject to, and do not become subject to, a Lien securing the First Priority Obligations and (b) if any Second Priority Secured Party shall acquire or hold any Lien on any assets of any Loan Party securing any Second Priority Obligation which assets are not also subject to the first-priority Lien of the First Priority Representative under the First Priority Documents, then the Second Priority Representative, upon demand by the First Priority Representative, will without the need for any further consent of any other Second Priority Secured Party, notwithstanding anything to the contrary in any other Second Priority Document either (i) release such Lien or (ii) assign it to the First Priority Representative as security for the First Priority Obligations (in which case the Second Priority Representative may retain a junior lien on such assets subject to the terms hereof). To the extent that the foregoing provisions are not complied with for any reason, without limiting any other rights and remedies available to the First Priority

Secured Parties, the Second Priority Representative and the other Second Priority Secured Parties agree that any amounts received by or distributed to any of them pursuant to or as a result of Liens granted in contravention of this Section 2.4 shall be subject to Section 4.1.

SECTION 3. *Enforcement Rights.*

3.1 Exclusive Enforcement. Until the First Priority Obligations Payment Date has occurred, whether or not an Insolvency Proceeding has been commenced by or against any Loan Party, the First Priority Secured Parties shall have the exclusive (subject to Section 3.2(f)) right to take and continue any Enforcement Action with respect to the Common Collateral, without any consultation with or consent of any Second Priority Secured Party, but subject to Section 3.2(f) and the proviso set forth in Section 5.1. Upon the occurrence and during the continuance of a default or an event of default under the First Priority Documents, the First Priority Representative and the other First Priority Secured Parties may take and continue any Enforcement Action with respect to the First Priority Obligations and the Common Collateral in such order and manner as they may determine in their sole discretion.

3.2 Standstill and Waivers. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that, until the First Priority Obligations Payment Date has occurred, subject to the proviso set forth in Section 5.1:

(a) they will not take or cause to be taken any action, the purpose or effect of which is to make any Lien in respect of any Second Priority Obligation pari passu with or senior to, or to give any Second Priority Secured Party any preference or priority relative to, the Liens with respect to the First Priority Obligations or the First Priority Secured Parties with respect to any of the Common Collateral;

(b) they will not contest, oppose, object to, interfere with, hinder or delay, in any manner, whether by judicial proceedings (including without limitation the filing of an Insolvency Proceeding) or otherwise, any foreclosure, sale, lease, exchange, transfer or other disposition of the Common Collateral by any First Priority Secured Party or any other Enforcement Action taken (or subject to their rights under Section 3.2(f), any forbearance from taking any Enforcement Action) by or on behalf of any First Priority Secured Party;

(c) they have no right to (i) direct either the First Priority Representative or any other First Priority Secured Party to exercise any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or (ii) consent or object to the exercise by the First Priority Representative or any other First Priority Secured Party of any right, remedy or power with respect to the Common Collateral or pursuant to the First Priority Security Documents or to the timing or manner in which any such right is exercised or not exercised (or, to the extent they may have any such right described in this clause (c), whether as a junior lien creditor or otherwise, they hereby irrevocably waive such right);

(d) they will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim against any First Priority Secured Party seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to, and no First Priority Secured Party shall be liable for, any action taken or omitted to be taken by any First Priority Secured Party with respect to the Common Collateral or pursuant to the First Priority Documents;

(e) subject to their rights under Section 3.2(f), they will not make any judicial or nonjudicial claim or demand or commence any judicial or non-judicial proceedings against any Loan Party or any of its subsidiaries or affiliates under or with respect to the Common Collateral or any Second Priority Security Document seeking payment or damages from or other relief by way of specific performance, instructions or otherwise under or with respect to the Common Collateral or any Second Priority Security Document (other than filing a proof of claim) or exercise any right, remedy or power under or with respect to, or otherwise take any action to enforce, other than filing a proof of claim, the Common Collateral or any Second Priority Security Document;

(f) they will not commence judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of any Common Collateral, exercise any right, remedy or power with respect to, or otherwise take any action to enforce their interest in or realize upon, the Common Collateral or pursuant to the Second Priority Security Documents, provided, however, that the Second Priority Representative may exercise any or all such rights, remedies or powers after the passage of a period of at least 180 days has elapsed since the later of: (i) the date on which the Second Priority Representative declares the existence of any Event of Default under any Second Priority Documents and demands the repayments of all the principal amount of any Second Priority Obligations; and (ii) the date on which the First Priority Representative receives notice from the Second Priority Representative of such declarations of an Event of Default (the "**Standstill Period**"), and provided, further, that notwithstanding anything herein to the contrary, in no event shall the Second Priority Representative or any Second Priority Secured Party commence or continue to exercise any rights, remedies or powers with respect to the Common Collateral if, notwithstanding the expiration of the Standstill Period, the First Priority Representative or First Priority Secured Parties shall have commenced and be diligently pursuing the exercise of their rights, remedies or powers with respect to all or any material portion of the Common Collateral (notice of such exercise to be given to the Second Priority Representative); and

(g) subject to their rights under Section 3.2(f), they will not seek, and hereby waive any right, to have the Common Collateral or any part thereof marshaled upon any foreclosure or other disposition of the Common Collateral.

3.3 Judgment Creditors. In the event that any Second Priority Secured Party becomes a judgment lien creditor in respect of Common Collateral as a result of its enforcement of its rights as an unsecured creditor, such judgment lien shall be subject to the terms of this Agreement for all purposes (including in relation to the First Priority Liens and the First Priority Obligations) to the same extent as all other Liens securing the Second Priority Obligations are subject to the terms of this Agreement.

3.4 Cooperation. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that each of them shall take such actions as the First Priority Representative shall request in connection with the exercise by the First Priority Secured Parties of their rights set forth herein.

3.5 No Additional Rights For the Loan Parties Hereunder. Except as provided in Section 3.6, if any First Priority Secured Party or Second Priority Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, no Loan Party shall be entitled to use such violation as a defense

to any action by any First Priority Secured Party or Second Priority Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any First Priority Secured Party or Second Priority Secured Party.

3.6 Actions Upon Breach. (a) If any Second Priority Secured Party, contrary to this Agreement, commences or participates in any action or proceeding against any Loan Party or the Common Collateral, such Loan Party, with the prior written consent of the First Priority Secured Representative, such consent not to be unreasonably withheld or delayed, may interpose as a defense or dilatory plea the making of this Agreement, and any First Priority Secured Party may intervene and interpose such defense or plea in its or their name or in the name of such Loan Party.

(b) Should any Second Priority Secured Party, contrary to this Agreement, in any way take, attempt to or threaten to take any action with respect to the Common Collateral (including, without limitation, any attempt to realize upon or enforce any remedy with respect to this Agreement), or fail to take any action required by this Agreement, any First Priority Secured Party (in its own name or in the name of the relevant Loan Party) or the relevant Loan Party may obtain relief against such Second Priority Secured Party by injunction, specific performance and/or other appropriate equitable relief, it being understood and agreed by the Second Priority Representative on behalf of each Second Priority Secured Party that (i) the First Priority Secured Parties' damages from its actions may at that time be difficult to ascertain and may be irreparable, and (ii) each Second Priority Secured Party waives any defense that the Loan Parties and/or the First Priority Secured Parties cannot demonstrate damage and/or be made whole by the awarding of damages.

SECTION 4. *Application Of Proceeds Of Common Collateral; Dispositions And Releases Of Common Collateral; Inspection and Insurance; Purchase Right.*

4.1 Application of Proceeds; Turnover Provisions. All proceeds of Common Collateral (including without limitation any interest earned thereon) resulting from the sale, collection or other disposition of Common Collateral, whether or not pursuant to an Insolvency Proceeding, shall be distributed as follows: first to the First Priority Representative for application to the First Priority Obligations in accordance with the terms of the First Priority Documents, until the First Priority Obligations Payment Date has occurred and thereafter, to the Second Priority Representative for application in accordance with the Second Priority Documents. Until the occurrence of the First Priority Obligations Payment Date, any Common Collateral, including without limitation any such Common Collateral constituting proceeds, that may be received by any Second Priority Secured Party in violation of this Agreement shall be segregated and held in trust and promptly paid over to the First Priority Representative, for the benefit of the First Priority Secured Parties, in the same form as received, with any necessary endorsements, and each Second Priority Secured Party hereby authorizes the First Priority Representative to make any such endorsements as agent for the Second Priority Representative (which authorization, being coupled with an interest, is irrevocable).

4.2 Releases of Second Priority Lien. (a) Upon any release, sale or disposition of Common Collateral permitted pursuant to the terms of the First Priority Documents that results in the release of the First Priority Lien on any Common Collateral or any release of a Loan Party from its guaranty of the First Priority Obligations permitted pursuant to the terms of the First Priority Documents (excluding in any event any release, sale or other disposition that is expressly prohibited by the Second Priority Agreement unless such release, sale or disposition is consummated in connection with an Enforcement Action or consummated after the institution of any Insolvency Proceeding), the Second Priority Lien on such

Common Collateral (excluding any portion of the proceeds of such Common Collateral remaining after the First Priority Obligations Payment Date occurs) and the guaranty of such Loan Party of the Second Priority Obligations shall in each case be automatically and unconditionally released with no further consent or action of any Person.

(b) The Second Priority Representative shall promptly execute and deliver such release documents and instruments and shall take such further actions as the First Priority Representative shall request to evidence any release of the Second Priority Lien or of the guaranty of a Loan Party of the Second Priority Obligations described in paragraph (a). The Second Priority Representative hereby appoints the First Priority Representative and any officer or duly authorized person of the First Priority Representative, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power of attorney in the place and stead of the Second Priority Representative and in the name of the Second Priority Representative or in the First Priority Representative's own name, from time to time, in the First Priority Representative's sole discretion, for the purposes of carrying out the terms of this Section 4.2, to take any and all appropriate action and to execute and deliver any and all documents and instruments as may be necessary or desirable to accomplish the purposes of this Section 4.2, including, without limitation, any financing statements, endorsements, assignments, releases or other documents or instruments of transfer (which appointment, being coupled with an interest, is irrevocable).

4.3 Inspection Rights and Insurance. (a) Any First Priority Secured Party and its representatives and invitees may at any time inspect, repossess, remove and otherwise deal with the Common Collateral, and the First Priority Representative may advertise and conduct public auctions or private sales of the Common Collateral, in each case subject to the terms of the First Priority Documents and without notice to, the involvement of or interference by any Second Priority Secured Party or liability to any Second Priority Secured Party.

(b) Until the First Priority Obligations Payment Date has occurred, the First Priority Representative will have the sole and exclusive right, subject to the terms of the First Priority Documents, to (i) be named as additional insured and loss payee under any insurance policies maintained from time to time by any Loan Party (except that the Second Priority Representative shall have the right to be named as additional insured and loss payee so long as its second lien status is identified in a manner satisfactory to the First Priority Representative); (ii) adjust or settle any insurance policy or claim covering the Common Collateral in the event of any loss thereunder and (iii) approve any award granted in any condemnation or similar proceeding affecting the Common Collateral.

4.4 Purchase Right. (a) The First Priority Representative agrees that it will provide the Second Priority Representative prompt written notice of any acceleration of the First Priority Obligations. Upon or following an acceleration of the First Priority Obligations, the Second Priority Secured Parties shall have the option, exercisable no later than twenty Business Days after receipt of written notice from the First Priority Representative of any acceleration of the First Priority Obligations, to purchase all (but not less than all) of the First Priority Obligations from the First Priority Secured Parties. The Second Priority Secured Parties electing to purchase First Priority Obligations pursuant to this Section 4.4(a) (the "**Purchasing Parties**") shall exercise any such option through delivery of irrevocable written notice from the Second Priority Representative to the First Priority Representative (the "**Purchase Notice**").

(b) On the date (the "**Purchase Date**") specified by the Second Priority Representative in the Purchase Notice (which shall be a Business Day not less than five days after the date of the Purchase Notice, nor more than twenty Business Days after the receipt by the Second Priority Secured Parties of

the notice from the First Priority Representative referred to in Section 4.4(a)), the First Priority Secured Parties shall, subject to any required approval of any court or other Governmental Authority then in effect, if any, sell to Purchasing Parties, and the Purchasing Parties shall purchase from the First Priority Secured Parties, all of the First Priority Obligations. The Purchasing Parties shall be irrevocably and unconditionally obligated to effect such purchase on the terms herein not later than the Purchase Date.

(c) The Purchasing Parties shall (i) on the Purchase Date, pay to the First Priority Secured Parties as the purchase price therefor the full amount of all the First Priority Obligations then outstanding and unpaid (including all outstanding principal of the First Priority Obligations, all accrued and unpaid interest, and all fees, breakage costs, accrued and unpaid indemnification obligations and expenses, including reasonable attorneys' fees and legal expenses, and, in the case of any Hedging Obligations under swap agreements or hedge agreements, if terminated, the amount that would be payable by the Borrower or any other Loan Party thereunder if it were to terminate such swap agreements or hedge agreements on the date of such purchase and sale or, if not terminated, an amount reasonably determined by any First Priority Creditor (or any of its affiliates) party to such swap agreements or hedge agreements to be necessary to collateralize its credit risk arising out of such swap agreements or hedge agreements), (ii) upon and after the Purchase Date, reimburse the First Priority Secured Parties for any loss, cost, damage or expense (including reasonable attorneys' fees and legal expenses) in connection with any fees, costs or expenses related to any checks or other payments provisionally credited to the First Priority Obligations and/or as to which the First Priority Secured Parties have not yet received final payment and (iii) upon and after the Purchase Date, after the reasonable written request from the First Priority Representative, reimburse the First Priority Secured Parties in respect of accrued and unpaid indemnification obligations of the Borrower and the other Loan Parties under the First Priority Documents.

(d) Such purchase price and cash collateral shall be remitted on the Purchase Date by wire transfer in United States dollars and in immediately available funds to the First Priority Representative to such bank account of the First Priority Representative as the First Priority Representative may designate in writing to the Purchasing Parties for such purpose. The First Priority Representative shall, promptly following its receipt thereof, distribute the amounts received by it in respect of such purchase price to the First Priority Secured Parties, pro rata according to the First Priority Obligations owing to the First Priority Secured Parties. Interest shall be calculated to (and including) the day on which such purchase and sale shall occur if the amounts so paid by the Purchasing Parties to the bank account designated by the First Priority Representative are received in such bank account prior to 12:00 Noon, New York City time, and interest shall be calculated to and including the next Business Day if the amounts so paid by the Purchasing Parties to the bank account designated by the First Priority Representative are received in such bank account later than 12:00 Noon, New York City time.

(e) Such purchase shall be expressly made without representation or warranty of any kind by the First Priority Secured Parties as to the First Priority Obligations, the First Priority Collateral or otherwise and without recourse to the First Priority Secured Parties, except that the First Priority Secured Parties shall represent and warrant: (i) the amount of the First Priority Obligations being purchased, (ii) that the First Priority Secured Parties own the First Priority Obligations free and clear of any liens or encumbrances and (iii) the First Priority Secured Parties have the right to assign the First Priority Obligations and the assignment is duly authorized. The terms of such purchase shall be set forth in documentation mutually acceptable to each of the First Priority Representative and the Second Priority Representative and consistent with the terms hereof.

SECTION 5. *Insolvency Proceedings.*

5.1 Filing of Motions. Until the First Priority Obligations Payment Date has occurred, the Second Priority Representative agrees on behalf of itself and the other Second Priority Secured Parties that no Second Priority Secured Party shall, in or in connection with any Insolvency Proceeding, file any pleadings or motions, take any position at any hearing or proceeding of any nature, or otherwise take any action whatsoever, in each case in respect of any of the Common Collateral, including, without limitation, with respect to the determination of any Liens or claims held by the First Priority Representative (including the validity and enforceability thereof) or any other First Priority Secured Party or the value of any claims of such parties under Section 506(a) of the Bankruptcy Code or otherwise; provided that the Second Priority Representative may file a proof of claim in an Insolvency Proceeding, subject to the limitations contained in this Agreement and only if consistent with the terms and the limitations on the Second Priority Representative imposed hereby.

5.2 Financing Matters. If any Loan Party becomes subject to any Insolvency Proceeding, and if the First Priority Representative or the other First Priority Secured Parties desire to consent (or not object) to the use of cash collateral under the Bankruptcy Code or to provide financing to any Loan Party under the Bankruptcy Code or to consent (or not object) to the provision of such financing to any Loan Party by any third party (any such financing, "**DIP Financing**"), then the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that each Second Priority Secured Party (a) will be deemed to have consented to, will raise no objection to, nor support any other Person objecting to, the use of such cash collateral or to such DIP Financing, (b) will not request or accept adequate protection or any other relief in connection with the use of such cash collateral or such DIP Financing except as set forth in paragraph 5.4 below and (c) will subordinate (and will be deemed hereunder to have subordinated) the Second Priority Liens (i) to such DIP Financing on the same terms as the First Priority Liens are subordinated thereto (and such subordination will not alter in any manner the terms of this Agreement), (ii) to any adequate protection provided to the First Priority Secured Parties and (iii) to any "carve-out" agreed to by the First Priority Representative or the other First Priority Secured Parties, and (d) agrees that notice received two calendar days prior to the entry of an order approving such usage of cash collateral or approving such financing shall be adequate notice; provided that the Second Priority Representative and the Second Priority Secured Parties retain the right to object to (i) any ancillary agreements or arrangements regarding the cash collateral use or DIP Financing that are materially and disproportionately prejudicial to their interests as compared to the First Priority Secured Parties, (ii) the DIP Financing to the extent that (x) it compels the Borrower to seek confirmation of a specific plan of reorganization for which all or substantially all of the material terms are set forth in the DIP Financing documentation or a related document or (y) the aggregate principal amount of loans and letter of credit accommodations outstanding or available under such DIP Financing exceeds an amount equal to $50,000,000 or (iii) the DIP Financing documentation or cash collateral order to the extent that it expressly requires the liquidation of the Common Collateral prior to a default under the DIP Financing documentation or cash collateral order.

5.3 Relief From the Automatic Stay. The Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties, that none of them will seek relief from the automatic stay or from any other stay in any Insolvency Proceeding or take any action in derogation thereof, in each case in respect of any Common Collateral, without the prior written consent of the First Priority Representative.

5.4 Adequate Protection. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that none of them shall object, contest, or support any other Person objecting to or contesting, (a) any request by the First Priority Representative or the other First Priority Secured Parties for adequate protection or any adequate protection provided to the First Priority Representative or the other First Priority Secured Parties or (b) any objection by the First Priority Representative or any other First Priority Secured Parties to any motion, relief, action or proceeding based on a claim of a lack of adequate protection or (c) the payment of interest, fees, expenses or other amounts to the First Priority Representative or any other First Priority Secured Party under Section 506(b) or 506(c) of the Bankruptcy Code or otherwise. Notwithstanding anything contained in this Section and in Section 5.2(b) (but subject to all other provisions of this Agreement, including, without limitation, Sections 5.2(a) and 5.3), in any Insolvency Proceeding, (i) if the First Priority Secured Parties (or any subset thereof) are granted adequate protection consisting of additional collateral (with replacement liens on such additional collateral) and superpriority claims in connection with any DIP Financing or use of cash collateral, and the First Priority Secured Parties do not object to the adequate protection being provided to them, then in connection with any such DIP Financing or use of cash collateral the Second Priority Representative, on behalf of itself and any of the Second Priority Secured Parties, may seek or accept adequate protection consisting solely of (x) a replacement Lien on the same additional collateral, subordinated to the Liens securing the First Priority Obligations and such DIP Financing on the same basis as the other Liens securing the Second Priority Obligations are so subordinated to the First Priority Obligations under this Agreement and (y) superpriority claims junior in all respects to the superpriority claims granted to the First Priority Secured Parties, provided, however, that the Second Priority Representative shall have irrevocably agreed, pursuant to Section 1129(a)(9) of the Bankruptcy Code, on behalf of itself and the Second Priority Secured Parties, in any stipulation and/or order granting such adequate protection, that such junior superpriority claims may be paid under any plan of reorganization in any combination of cash, debt, equity or other property having a value on the effective date of such plan equal to the allowed amount of such claims and (ii) in the event the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, seeks or accepts adequate protection in accordance with clause (i) above and such adequate protection is granted in the form of additional collateral, then the Second Priority Representative, on behalf of itself or any of the Second Priority Secured Parties, agrees that the First Priority Representative shall also be granted a senior Lien on such additional collateral as security for the First Priority Obligations and any such DIP Financing and that any Lien on such additional collateral securing the Second Priority Obligations shall be subordinated to the Liens on such collateral securing the First Priority Obligations and any such DIP Financing (and all Obligations relating thereto) and any other Liens granted to the First Priority Secured Parties as adequate protection, with such subordination to be on the same terms that the other Liens securing the Second Priority Obligations are subordinated to such First Priority Obligations under this Agreement. The Second Priority Representative, on behalf of itself and the other Second Priority Secured Parties, agrees that except as expressly set forth in this Section none of them shall seek or accept adequate protection without the prior written consent of the First Priority Representative.

5.5 Avoidance Issues. If any First Priority Secured Party is required in any Insolvency Proceeding or otherwise to disgorge, turn over or otherwise pay to the estate of any Loan Party, because such amount was avoided or ordered to be paid or disgorged for any reason, including without limitation because it was found to be a fraudulent or preferential transfer, any amount (a "**Recovery**"), whether received as proceeds of security, enforcement of any right of set-off or otherwise, then the First Priority Obligations shall be reinstated to the extent of such Recovery and deemed to be outstanding as if such payment had not occurred and the First Priority Obligations Payment Date shall be deemed not to have occurred. If this Agreement shall have been terminated prior to such Recovery, this Agreement shall be

reinstated in full force and effect, and such prior termination shall not diminish, release, discharge, impair or otherwise affect the obligations of the parties hereto. The Second Priority Secured Parties agree that none of them shall be entitled to benefit from any avoidance action affecting or otherwise relating to any distribution or allocation made in accordance with this Agreement, whether by preference or otherwise, it being understood and agreed that the benefit of such avoidance action otherwise allocable to them shall instead be allocated and turned over for application in accordance with the priorities set forth in this Agreement.

5.6 Asset Dispositions in an Insolvency Proceeding. Neither the Second Priority Representative nor any other Second Priority Secured Party shall, in an Insolvency Proceeding or otherwise, oppose any sale or disposition of any assets of any Loan Party that is supported by the First Priority Secured Parties, and the Second Priority Representative and each other Second Priority Secured Party will be deemed to have consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale supported by the First Priority Secured Parties and to have released their Liens on such assets.

5.7 Separate Grants of Security and Separate Classification. Each Second Priority Secured Party acknowledges and agrees that (a) the grants of Liens pursuant to the First Priority Security Documents and the Second Priority Security Documents constitute two separate and distinct grants of Liens and (b) because of, among other things, their differing rights in the Common Collateral, the Second Priority Obligations are fundamentally different from the First Priority Obligations and must be separately classified in any plan of reorganization proposed or adopted in an Insolvency Proceeding. To further effectuate the intent of the parties as provided in the immediately preceding sentence, if it is held that the claims of the First Priority Secured Parties and Second Priority Secured Parties in respect of the Common Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the Second Priority Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of senior and junior secured claims against the Loan Parties in respect of the Common Collateral, with the effect being that, to the extent that the aggregate value of the Common Collateral is sufficient (for this purpose ignoring all claims held by the Second Priority Secured Parties), the First Priority Secured Parties shall be entitled to receive, in addition to amounts distributed to them in respect of principal, pre-petition interest and other claims, all amounts owing in respect of Post-Petition Interest before any distribution is made in respect of the claims held by the Second Secured Priority Secured Parties. The Second Priority Secured Parties hereby acknowledge and agree to turn over to the First Priority Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of the preceding sentence, even if such turnover has the effect of reducing the claim or recovery of the Second Priority Secured Parties.

5.8 No Waivers of Rights of First Priority Secured Parties. Nothing contained herein shall prohibit or in any way limit the First Priority Representative or any other First Priority Secured Party from objecting in any Insolvency Proceeding or otherwise to any action taken by any Second Priority Secured Party, including the seeking by any Second Priority Secured Party of adequate protection (except as provided in Section 5.4) or the asserting by any Second Priority Secured Party of any of its rights and remedies under the Second Priority Documents or otherwise.

5.9 Plans of Reorganization. No Second Priority Secured Party shall support or vote in favor of any plan of reorganization (and each shall be deemed to have voted to reject any plan of reorganization) unless such plan (a) pays off, in cash in full, all First Priority Obligations or (b) is accepted by the class of holders of First Priority Obligations voting thereon and is supported by the First Priority Representative.

5.10 Other Matters. To the extent that the Second Priority Representative or any Second Priority Secured Party has or acquires rights under Section 363 or Section 364 of the Bankruptcy Code with respect to any of the Common Collateral, the Second Priority Representative agrees, on behalf of itself and the other Second Priority Secured Parties not to assert any of such rights without the prior written consent of the First Priority Representative; *provided* that if requested by the First Priority Representative, the Second Priority Representative shall timely exercise such rights in the manner requested by the First Priority Representative, including any rights to payments in respect of such rights.

5.11 Effectiveness in Insolvency Proceedings. This Agreement, which the parties hereto expressly acknowledge is a "subordination agreement" under section 510(a) of the Bankruptcy Code, shall be effective before, during and after the commencement of an Insolvency Proceeding.

SECTION 6. *Second Priority Documents and First Priority Documents.*

(a) Each Loan Party and the Second Priority Representative, on behalf of itself and the Second Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the Second Priority Documents inconsistent with or in violation of this Agreement.

(b) Each Loan Party and the First Priority Representative, on behalf of itself and the First Priority Secured Parties, agrees that it shall not at any time execute or deliver any amendment or other modification to any of the First Priority Documents inconsistent with or in violation of this Agreement.

(c) In the event the First Priority Representative enters into any amendment, waiver or consent in respect of any of the First Priority Security Documents for the purpose of adding to, or deleting from, or waiving or consenting to any departures from any provisions of, any First Priority Security Document or changing in any manner the rights of any parties thereunder, then such amendment, waiver or consent shall apply automatically to any comparable provision of the Comparable Second Priority Security Document without the consent of or action by any Second Priority Secured Party (with all such amendments, waivers and modifications subject to the terms hereof); provided that (other than with respect to amendments, modifications or waivers that secure additional extensions of credit and add additional secured creditors and do not violate the express provisions of the Second Priority Agreements), (i) no such amendment, waiver or consent shall have the effect of removing assets subject to the Lien of any Second Priority Security Document, except to the extent that a release of such Lien is permitted by Section 4.2, (ii) any such amendment, waiver or consent that materially and adversely affects the rights of the Second Priority Secured Parties and does not affect the First Priority Secured Parties in a like or similar manner shall not apply to the Second Priority Security Documents without the consent of the Second Priority Representative and (iii) notice of such amendment, waiver or consent shall be given to the Second Priority Representative no later than 30 days after its effectiveness, provided that the failure to give such notice shall not affect the effectiveness and validity thereof.

SECTION 7. *Reliance; Waivers; etc.*

7.1 Reliance. The First Priority Documents are deemed to have been executed and delivered, and all extensions of credit thereunder are deemed to have been made or incurred, in reliance upon this Agreement. The Second Priority Representative, on behalf of it itself and the Second Priority Secured Parties, expressly waives all notice of the acceptance of and reliance on this Agreement by the First Priority Secured Parties. The Second Priority Documents are deemed to have been executed and delivered and all extensions of credit thereunder are deemed to have been made or incurred, in reliance

upon this Agreement. The First Priority Representative expressly waives all notices of the acceptance of and reliance by the Second Priority Representative and the Second Priority Secured Parties.

7.2 No Warranties or Liability. The Second Priority Representative and the First Priority Representative acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectibility or enforceability of any other First Priority Document or any Second Priority Document. Except as otherwise provided in this Agreement, the Second Priority Representative and the First Priority Representative will be entitled to manage and supervise their respective extensions of credit to any Loan Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

7.3 No Waivers. No right or benefit of any party hereunder shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of such party or any other party hereto or by any noncompliance by any Loan Party with the terms and conditions of any of the First Priority Documents or the Second Priority Documents.

SECTION 8. *Obligations Unconditional.*

8.1 First Priority Obligations Unconditional. All rights and interests of the First Priority Secured Parties hereunder, and all agreements and obligations of the Second Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any First Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the First Priority Obligations, or any amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any First Priority Document;

(c) prior to the First Priority Obligations Payment Date, any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the First Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the First Priority Obligations, or of any of the Second Priority Representative, or any Loan Party, to the extent applicable, in respect of this Agreement.

8.2 Second Priority Obligations Unconditional. All rights and interests of the Second Priority Secured Parties hereunder, and all agreements and obligations of the First Priority Secured Parties (and, to the extent applicable, the Loan Parties) hereunder, shall remain in full force and effect irrespective of:

(a) any lack of validity or enforceability of any Second Priority Document;

(b) any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Second Priority Obligations, or any amendment, waiver or other modification,

whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of any Second Priority Document;

(c) any exchange, release, voiding, avoidance or non-perfection of any security interest in any Common Collateral or any other collateral, or any release, amendment, waiver or other modification, whether by course of conduct or otherwise, or any refinancing, replacement, refunding or restatement of all or any portion of the Second Priority Obligations or any guarantee or guaranty thereof; or

(d) any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Loan Party in respect of the Second Priority Obligations or any First Priority Secured Party in respect of this Agreement.

SECTION 9. Miscellaneous.

9.1 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any First Priority Document or any Second Priority Document, the provisions of this Agreement shall govern.

9.2 Continuing Nature of Provisions. This Agreement shall continue to be effective, and shall not be revocable by any party hereto, until the First Priority Obligation Payment Date shall have occurred. This is a continuing agreement and the First Priority Secured Parties and the Second Priority Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide indebtedness to, or for the benefit of, Borrower or any other Loan Party on the faith hereof.

9.3 Amendments; Waivers. (a) No amendment or modification of any of the provisions of this Agreement shall be effective unless the same shall be in writing and signed by the First Priority Representative and the Second Priority Representative, and, in the case of amendments or modifications that directly and adversely affect the rights or duties of any Loan Party, such Loan Party.

(b) It is understood that the First Priority Representative and the Second Priority Representative, without the consent of any other First Priority Secured Party or Second Priority Secured Party, may in their discretion determine that a supplemental agreement (which make take the form of an amendment and restatement of this Agreement) is necessary or appropriate to facilitate having additional indebtedness or other obligations ("**Additional Debt**") of any of the Loan Parties become First Priority Obligations or Second Priority Obligations, as the case may be, under this Agreement, which supplemental agreement shall specify whether such Additional Debt constitutes First Priority Obligations or Second Priority Obligations, provided, that such Additional Debt is permitted to be incurred by the First Priority Agreement and Second Priority Agreement then extant, and is permitted by said Agreements to be subject to the provisions of this Agreement as First Priority Obligations or Second Priority Obligations, as applicable.

9.4 Information Concerning Financial Condition of the Borrower and the other Loan Parties. Each of the Second Priority Representative and the First Priority Representative hereby assume responsibility for keeping itself informed of the financial condition of the Borrower and each of the other Loan Parties and all other circumstances bearing upon the risk of nonpayment of the First Priority Obligations or the Second Priority Obligations. The Second Priority Representative and the First Priority

Representative hereby agree that no party shall have any duty to advise any other party of information known to it regarding such condition or any such circumstances. In the event the Second Priority Representative or the First Priority Representative, in its sole discretion, undertakes at any time or from time to time to provide any information to any other party to this Agreement, it shall be under no obligation (a) to provide any such information to such other party or any other party on any subsequent occasion, (b) to undertake any investigation not a part of its regular business routine, or (c) to disclose any other information.

9.5 Governing Law. **THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

9.6 Submission to Jurisdiction. Each party hereto hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to it at its address designated in Section 9.7;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section any special, exemplary, punitive or consequential damages.

9.7 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of telecopy notice, when received. For the purposes hereof, the addresses of the parties hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below each party's name on the signature pages hereof, or, as to each party, at such other address as may be designated by such party in a written notice to all of the other parties.

9.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and each of the First Priority Secured Parties and Second Priority Secured Parties and their respective successors and assigns, and nothing herein is intended, or shall be construed to

give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Common Collateral.

9.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.10 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.11 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement. This Agreement shall become effective when it shall have been executed by each party hereto.

9.12 Additional Loan Parties. Each Person that becomes a Loan Party after the date hereof shall become a party to this Agreement upon execution and delivery by such Person of an Assumption Agreement in the form of Annex 1 to the Guarantee and Collateral Agreement referred to in the First Priority Agreement.

[*signature pages follow*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

JPMORGAN CHASE BANK, N.A., as First Priority Representative for and on behalf of the First Priority Secured Parties

By:_____
Name:
Title:

Address for Notices:

JPMorgan Chase Bank, N.A.
1111 Fannin Street, Floor 10
Houston, Texas 77002-6925
Attention: Tim Rojas
Telecopy: (713) 750-2223
Telephone: (713) 750-2832

in each case with a copy to:

JPMorgan Chase Bank, N.A.
270 Park Avenue
New York, New York 10017
Attention: Kathryn Duncan
Telecopy: (212) 270-6637
Telephone: (212) 270-5808

WACHOVIA BANK, NATIONAL ASSOCIATION, as Second Priority Representative for and on behalf of the Second Priority Secured Parties

By:_____
Name:
Title:

Address for Notices:

Wachovia Bank, National Association
One South Broad, 8th Floor
Philadelphia, Pennsylvania 19107
Attention: Martha M. Winters
Telecopy: (267) 321-6700
Telephone: (267) 321-6714

OTC INVESTORS CORPORATION

By:_____
Name:
Title:

Address for Notices:

4206 South 108th Street
Omaha, Nebraska 68137
Attention: Mr. Steve Mendlik
Telecopy: (402) 596-2260
Telephone: (402) 596-2545

in each case with a copy to:

The Carlyle Group
520 Madison Avenue
New York, New York 10022
Attention: Mr. Sundip Murthy
Telecopy: (212) 381-8018
Telephone: (212) 381-4888

ORIENTAL TRADING COMPANY, INC.

By:_____
Name:
Title:

Address for Notices:

4206 South 108th Street
Omaha, Nebraska 68137
Attention: Mr. Steve Mendlik
Telecopy: (402) 596-2260
Telephone: (402) 596-2545

in each case with a copy to:

The Carlyle Group
520 Madison Avenue
New York, New York 10022
Attention: Mr. Sundip Murthy
Telecopy: (212) 381-8018
Telephone: (212) 381-4888

OTC HOLDINGS, INC.

By:_____
Name:
Title:

Address for Notices:

4206 South 108th Street
Omaha, Nebraska 68137
Attention: Mr. Steve Mendlik
Telecopy: (402) 596-2260
Telephone: (402) 596-2545

in each case with a copy to:

The Carlyle Group
520 Madison Avenue
New York, New York 10022
Attention: Mr. Sundip Murthy
Telecopy: (212) 381-8018
Telephone: (212) 381-4888

FUN EXPRESS, INC.

By:_____
Name:
Title:

Address for Notices:

4206 South 108th Street
Omaha, Nebraska 68137
Attention: Mr. Steve Mendlik
Telecopy: (402) 596-2260
Telephone: (402) 596-2545

in each case with a copy to:

The Carlyle Group
520 Madison Avenue
New York, New York 10022
Attention: Mr. Sundip Murthy
Telecopy: (212) 381-8018
Telephone: (212) 381-4888